

Jeffrey Sachs

Professor Jeffrey Sachs is to nations what doctors are to people. His extensive career has seen him advise more than one hundred countries on how to reduce poverty. He's advised former UN Secretary General Kofi Annan, and has even given economic lessons to U2's Bono. He is currently Special Advisor to UN Secretary General Ban Ki-moon.

From 2002-2006 Jeffrey Sachs was Director of the United Nations' Millennium Project, a plan to see global poverty and hunger halved by 2015. In his widely-read book *The End of Poverty*, Professor Sachs suggests that extreme poverty could be brought to an end as soon as 2025. Since 2002, Sachs is Director of the Earth Institute at Columbia University.

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It's certainly an ambitious plan—to see extreme poverty eliminated by 2025. What needs to happen for the goal to be reached?

The good news is that a lot of poverty is being ended by the wonders of modern technology and the good side of globalisation. There has been rapid economic growth through Asia, and poverty rates and absolute numbers living in extreme poverty are decreasing significantly in China, India and throughout South East Asia. Unfortunately there are regions of the world where extreme poverty has so far proved resistant to the forces of globalisation—where market forces are bypassing people and where the suffering is extreme.

The key is to get those parts of the world connected to the positive drive of the world economy and the positive momentum of technology. If Africa, Central Asia, and parts of South America—especially the Andes region—can get connected to global trade and investment in the same way as the dynamic parts of Asia, we will see the end of poverty. The point of my book is that it won't happen automatically. We have to help make it happen.

When you have corrupt regimes in place like Robert Mugabe's in Zimbabwe, can any of those things ever happen?

Of course governments are able to destroy the chances of success, and unfortunately we have enough thugs around. But people need to understand that the issue goes well beyond problems of governance. There are well-governed places that are impoverished for other reasons. In some cases malaria and AIDS are holding these places back. Maybe it's a lack of basic infrastructure such as roads and electricity, or a lack of access to safe drinking water. What is often the case, is very fragile agriculture due to significant drought.

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The cliché that the poor are just victims of their own government is too simple. The poor can also be victims of climate, disease, lack of infrastructure and so on. Those are solvable problems and we can help solve those problems.

So your idea is to focus on those kinds of combatable issues and wait for those regimes to change?

Absolutely. You made the analogy to a medical doctor, and I like that analogy. In my book I talk about clinical economics. I have watched my wife, a wonderful clinician and paediatrician, do her work over the last twenty-five years and it has always impressed me how, in order to treat a child, you have to know the details of the specific ailment. You have to know the conditions of the family. You have to interpret things very carefully. A fever isn't just a fever; it has to be understood at its root cause.

Similarly, with extreme poverty we need to get away from the simplistic idea that extreme poverty is the fault of one thing. We need to do a kind of differential diagnosis, understand what the sources of the problem are, and work with those problems that are solvable. In my experience, in most parts of the world, extreme poverty could be reduced significantly by the application of proven straight forward investments in the right places.

What kind of investments are you talking about?

Let me take the case of the Millennium Villages Project. We are working in twelve different regions in sub-Saharan Africa that are among the very poorest in the world. In all of these cases the people are suffering from a profound lack of basic productivity. They don't grow enough food to even stay alive, much less to earn a surplus that they can bring to the market, sell, and so start climbing out of poverty. Though they differ according to the specific geography and ecology, the targets for investment are to raise farming productivity, and to help people have access to basic health care. Health care is a direct input to wellbeing, but it also raises productivity. Investments in schools and school feeding programs are also important so that the children have enough nourishment to learn. There needs to be basic infrastructure: a road, some connection to electricity to manage pumps or refrigeration in a clinic or to recharge a telephone which might be the single connection for a whole village to the rest of the nation or world. So the basic interventions are in agriculture, public health, education and in infrastructure, meaning roads, power, water, sanitation.

When you look at the cost of those interventions they turn out to be remarkably small compared to the benefits. In the case of the Millennium Villages Project, the investment is fifty dollars per person per year in these villages brought in from the outside, and combined with resources in the villages and at the national level and from other partner organisations. It is amazing how a little can go an enormous way to save lives, help children grow up healthy, and give impoverished communities a chance to move forward.

Do we need more foreign aid from more western countries?

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Our own countries are so rich right now. It would take significantly less than 1% of income to be able to get the bed nets, fertilizers, medicines, pumps, to get the roads paved, and the clinics filled. That would spell the difference not only between life and death but between economic development and continued extreme poverty. So it would not take the rich world much.

If this were done on a voluntary basis, that would be wonderful. But the fact of the matter is that it's not being done on a voluntary basis. This means that government has to pick up the responsibility. Our governments have recognized this all along. They have promised time and again to give 0.7% of gross national product as official aid. Australia has made the promise; the United States has made the promise; indeed all the high-income countries have made the promise. But only five of them have lived up to the promise: Sweden, Norway, Denmark, The Netherlands and Luxemburg. Several other European countries are now on track to reach 0.7%. The whole European Union has promised that core members will give 0.7% of national income as official aid by 2015. But there is not a great record for other donor countries. We promised but we are not delivering.

I was in Jogjakarta, Indonesia, in 2007 and got talking to folks affected by the earthquake there in May 2006. Their complaint was that while aid had been given, little of it reached them. Money seemed to get siphoned off as it passed through various government agencies. How do we actually get the money to the people who need it?

The key is to have a program approach that works right in the communities themselves. That's what the Millennium Villages do. People can learn more about this at www.millenniumpromise.org.

We shouldn't just give a transfer of money. We should be helping with specific needs. Again, investments in agriculture, the health sector, education of children, and basic infrastructure are the things that the poorest countries need. Beyond that, they really have to have their own leadership and responsibility to develop the private sector and to undertake economic growth.

What concerns me, and what I would like people to understand, is that when you have nothing you can't get started on your own. You need a helping hand and that is what foreign aid should be about. It's not simply redistribution of income. It is helping to empower the poor so that they can escape from the trap of poverty and get on the path of economic development.

The more practical and holistic the approach is—targeting several key sectors simultaneously in a mutually reinforcing way—the faster and more reliably this is going to happen.

So in terms of foreign aid we can encourage our governments to stay true to their promises, and even increase their promises. What about individuals? What part can we play in the grand plan of eliminating extreme poverty by 2025?

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I think individuals should first of all learn about these commitments and learn about the Millennium Development Goals. They should learn how straightforward it is to make a major difference. Then they should support some of those programs, whether it's the Millennium Villages or donations of anti-malaria bed nets or the Global Fund to fight AIDS, TB and Malaria. If we all gave, out of our own generosity, 0.7% of our incomes, well, that would do the job.

In your mind, what role do churches play in the fight against poverty?

Churches have two enormous roles to play. They have, out of the tenets of their religion, a major commitment to helping the poor. And there are major church movements that collect resources and donate to the poor. The churches also operate as a service delivery mechanism. If you go to almost any impoverished rural area in Africa, there is a church. That church may be helpful in distributing anti-malaria bed nets, or helping with water, or running the local clinic. Many denominations are playing an important role in this. And it works at both ends. Churches in most cases are international organisations; they reach us in our own communities and they reach the poorest of the poor in their communities.

You have said that ending poverty is the great opportunity of our time. Why do you think we are the generation that can see the end of extreme poverty?

It's the wealth that we have, the power of technology, and that we already reduced poverty in so many places in the world. This means that for the first time in history we have the tools. There is enough literacy and technological connectivity in the poor countries that a modest effort by the rich countries in mobilising these proven technologies could end extreme poverty. This is the first time this can be said. Go back thirty or forty years: China was so poor and so numerous, as were many other parts of the world that are now coming out of extreme poverty, that the burden implied for the rich countries would have been much greater than could have been mustered.

However there is now enough wealth and capable technology, that if we just make a modest effort in the rich world we will have a decisive effect for the benefit of the poor. We have got to stop turning our backs on this issue and face it straight on. We have to tell our own national leaders that the only way this world is going to be safe, is not through the military approach, but by investing in peace and investing in development.

Jeffrey, I'm sure you could be earning a lot more money than you're making now, sitting on a handful of company boards somewhere. Why are you doing what you're doing? Why do you feel this role is yours to run with?

Can you imagine anything more compelling in life than the opportunity to be helpful? I can't imagine it. It is true that by being a financial expert or a monetary expert and so on, there are alternative opportunities. But I find this opportunity to really help problems of extreme poverty simply the most meaningful way to live life. I know this is true of a lot of other people too. I have wonderful colleagues from the business community who were

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making huge amounts of money and decided that what they really wanted to do with their lives was devote them to using their great business skills to help solve problems like this.

We have more than we need in the rich world and we have this opportunity to give something. It is an extremely exhilarating feeling to see that it is possible not only to give, but actually help real progress.

Was there a moment of epiphany for you when you changed direction?

I went into economics because I was hoping this profession would give tools which would be useful for the world. So I did go into the field with some hope that it could be not just a theoretical field but something useful.

After a few years of being a Professor at Harvard University, I was invited to give some policy advice to Bolivia which was in very deep crisis. I saw that the things I had learned could actually help solve a critical problem. I got hooked, and I worked on many, many dozens of countries around the world, looking at problems of inflation, instability, currency crises, and trade reform. Then about a dozen years ago I began working in Africa and the nature of the problems were so severe and the crisis of disease was so great that it opened up a new chapter for me.