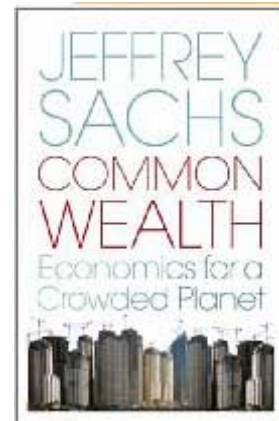


**Jeffrey Sachs, *Common Wealth: Economics for a Crowded Planet* (London: Allen Lane [Penguin], 2008), pp. 386.**

*Reviewed by Bruce Duncan*



Sachs is one of the best known economists internationally, especially because of his work co-ordinating the UN Millennium Development Goals. *Common Wealth* augments and updates his earlier best-selling book, *The End of Poverty*. The new factors revolve around the burgeoning crisis in climate change, the ongoing burden resulting from the war in Iraq, and the slow global response to implementing the Millennium Development Goals. To make matters more difficult, to these will have to be added the more recent collapse of international finance markets and the consequences for the global economy. No doubt Sachs has more recently been looking at the impact of these latter factors.

Despite his ambitious hopes for the MDGs, Sachs is not naïve. Few would deny Edward O Wilson's view in the foreword, that the 'evidence is compelling: we need to redesign our social and economic policies before we wreck this planet' (xi).

Sachs sees the central challenge of the 21<sup>st</sup> century as 'protecting the environment, stabilizing the world's population, narrowing the gaps between rich and poor, and ending extreme poverty' (p. 3). He hopes that the deepening recognition how all humanity is now bound closely together will inspire resolute action for the common good of everyone: 'our global society will flourish or perish according to our ability to find common ground across the world on a set of shared objectives and on the practical means to achieve them' (p. 4).



*Jeffrey Sachs*

Sachs did not see market forces alone as being able to overcome poverty traps, even before the most recent economic collapse. He argues that governments, public opinion and markets must review their policies to develop a sustainable ecology, stabilise world population 'below eight billion' by 2050 'through a voluntary reduction of fertility rates', end extreme poverty, and enhance global problem solving, drawing governments and non-governmental organisations into cooperative action (pp.6-7).

He has been appalled by the policies under George W Bush, especially embarking on the Iraq war, 'rejecting the Kyoto Protocol, trying to eliminate the Millennium Development Goals from international agreements and scrimping on foreign aid' (p. 8). 'The Millennium Development Goals were met with stony silence and scorn within the corridors of the White House' (p. 14). Sachs insists the world can meet these enormous threats to human wellbeing. 'We don't need to break the bank, we only need common goodwill' (p. 11.). 'The main problem... is not the absence of reasonable and low-cost solutions, but the difficulty of implementing global cooperation to put those solutions in place.' (p. 12).

Sachs breaks his book into sections dealing with environmental sustainability (dealing with the human impact on the planet, climate change, securing water supplies and species preservation), the demographic challenge, 'Prosperity for all' (economic development, an end to poverty traps and enhancing economic security for all), and

‘Global problem solving’ (reworking foreign policy, achieving global goals and utilising the power of public opinion).

Sachs is well aware of the difficulties but he rejects the view that the world is running out of resources. ‘Earth has the energy, land, biodiversity, and water resources needed to feed humanity and support long-term economic prosperity for all. The problem is that markets might not lead to their wise and sustainable use. There is no economic imperative that will condemn us to deplete our vital resource base, but neither is there an invisible hand that will prevent us from doing so. The choice will be ours to make through public policy and global cooperation’ (p. 45).

### **Foreign aid**

On foreign aid, he insists that ‘If well targeted toward the crucial needs – in agriculture, health, education, and infrastructure – foreign aid can provide the breakthrough financing to enable the poor to escape from poverty’ (p. 42). Sachs vigorously defends foreign aid against its critics, particularly William Easterly who charged that it was ‘\$2.3 trillion down the drain in the past fifty years.’

‘It is a false charge’ counters Sachs, who argues that foreign aid has achieved remarkable results in economic development in Asia and Latin America, reduced the incidence of disease (even eliminating smallpox), reduced population growth rates in most developing countries, improved environmental conservation, and resulted in a near doubling of life expectancy in many counties over the last four decades. International cooperation and treaties have also slowed the spread of nuclear weapons (pp. 46-47).

But, he adds, even ‘the fierce aid critic William Easterly’ has supported the type of aid that Sachs is advocating: ‘...“the vaccines, the antibiotics, the food supplements, the improved seeds, the fertilizer, the roads, the boreholes, the water pipes, the textbooks, and the nurses”’ (p. 238).

Despite the United States in 2002 committing to ‘concrete efforts towards the international target of 0.7 percent’ of GNP as official development assistance, with President Bush present at this major conference, ‘senior U.S. official then rejected that goal and disowned any such effort’ (p. 280). Even worse, ‘The U.S. ambassador to the UN, John Bolton, tried to expunge the very concept of Millennium Development Goals from the outcomes of the summit, even though the MDGs were the centrepiece of the fight against poverty’ (p. 281).

‘Virtually no single serious analysis has come out of USAID for a decade, despite a tradition of excellence and a long-suffering group of skilled development workers who somehow have survived the mix of faith-based politics and naïveté that has characterized our recent aid disbursements’ (p. 284-85.)

Putting the money spent on aid in clearer perspective, Sachs writes that it amounted to one-eighth of what the US has spent on arms over the past 50 year. It amounted to the US spending just 17 cents on foreign aid for each \$100 of its national income. Even so, much US aid went wastefully to political cronies in the Cold War (p. 48).

Sachs insists that the United State has squandered billions on military spending that could have been much better directed to aid. In fiscal year 2007, the US ‘spent an estimated \$572 billion on the military, \$11 billion on international security (security assistance to countries such as Iraq and Afghanistan), \$14 billion on development and

humanitarian aid'. To pay for bed nets for the whole of Africa for five years would be \$US1.5 billion, less than the Bush administration was spending on the Pentagon every day (p. 273-74). Rather than contribute solidly to help fund the Millennium Development Goals, President Bush gave 'tax cuts, which went overwhelmingly to the rich', amounting to about 2 percent of national income each year (p. 267).

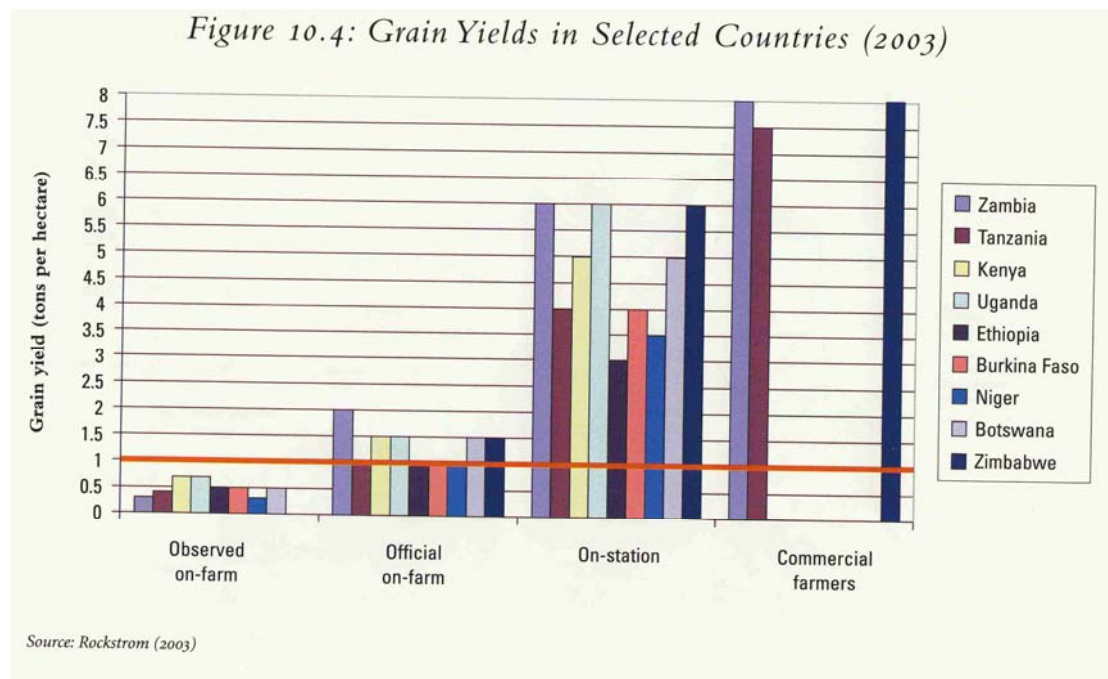
Instead Sachs wants the US to cut its 'military budget by at least \$150 billion per year (by withdrawing from Iraq and reducing outlays on nuclear weapons technology) and devoting roughly half of the saving to development aid, thereby meeting the promise by the United States to make concrete efforts to reach 0.7 percent of GNP in official development assistance' amounting to approximately \$90 billion.

### Reducing poverty

Far from seeing extreme poverty and hunger as inevitable, Sachs notes that the level of extreme poverty has declined from 85 per cent of the world's population in 1800 to just 15 per cent in 2008, but is concentrated in disadvantageous geographical regions. He insists even this extreme poverty can be eradicated (p. 50). Nevertheless, he warns that despite commitments by the European nations to double their aid to Africa, the promises made in 2005 had not been substantially honoured by 2007.

The situation in much of Africa is serious, but not hopeless. 'At a 7 percent per annum per capita growth rate, Africa would triple its per capita income in sixteen years... With a determined effort, and with ample aid between now and then, *Africa could graduate from aid by the year 2025*' (p. 246).

Figure 10.4: Grain Yields in Selected Countries (2003)



Africa has the potential greatly to increase its food production. In Africa 'Yields have barely budged for half a century, remaining stuck at roughly one ton per hectare.' (p. 227). Sachs insists that 'the situation can change rapidly and decisively' if the 'world funds these start-up investments in agriculture, health, education and infrastructure. Demonstration farm yields are 'often ten times the observed yields on smallholder farms, with 5 tons or more per hectare. The commercial farmers do even better than that (though the data are limited)' (p.231). 'A temporary boost of aid over the course

of several years, if properly invested, can lead to a permanent rise in productivity' (p. 229.)

Great improvements are also possible in health and disease prevention. Malaria causes 'up to three million deaths per year (most of them children) and up to one billion clinical cases of illness! Yet the disease is largely preventable and entirely treatable if the treatment is timely' (p. 232).

On climate change, he argues that over several decades the world could avoid a doubling of CO<sub>2</sub> in the atmosphere 'at a cost of less than 1 percent per year of world income' (p. 103).

### **Population growth**

In contrast to the views of many economists that world population growth was levelling out and would reach a plateau at about 9 billion by 2050, Sachs argues that global population growth is still too rapid, especially in the poorest countries, where populations can double in thirty years. Sachs advocates policies to contain population growth to 8 billion through voluntary means and greater efforts at lifting living standards (p. 155 ff). He writes that he is among the middle ground of economists who are 'cautiously optimistic' about managing the global demographic transition successfully, though it will demand effort and skilful technological improvements, especially in food production.

Sachs argues that governments can help poorer countries make the transition to smaller families by providing information and choice about means of birth regulation, including the pill, IUDs, 'injectables, implants, and more' (p. 177). 'Government-led advocacy can play an important role in changing ancient customs, which generally favour large families' (p. 178). He instanced Thailand's birth rate dropping from 6.4 per woman in 1960-65 to 2.9 in 1980-85. Egypt, India and Indonesia also achieved a 'sharp and voluntary drop in fertility rates even at relatively low levels of socioeconomic development through a highly proactive national family planning effort' (p. 179).

The Plan of Action adopted at the Bucharest population conference in 1974 'underscored that fertility choices should be left to voluntary decisions of households; that population policies should be seen holistically to include policies related to fertility, mortality, education, and research; and that in the end, such policies are a matter of national sovereignty, not international compulsion' (p. 179). These principles were reaffirmed at the Cairo conference in 1994, though it also asserted a right to abortion in certain circumstances.

Sachs strongly criticises the policies of the Bush Administration in cutting aid to the direct US funding of family planning services and the UN Population Fund. He insists that government aid is essential to further constrain population growth, particularly by improving living conditions: 'fertility rates in Africa can be brought down, quickly and voluntarily, just as in other parts of the world', as long as they are part of the overall efforts at economic development (p. 184).

Nine factors are identified by Sachs as important:

1. Improving child survival rates, and so reducing the need for poor parents to have more children.

2. Education of girls is critical, empowering females to take their own decisions, including access to family planning alternatives, giving them skills in the labour market, and delaying age of marriage.
3. Empowerment of women gives them rights to property, protection against violence and with greater economic opportunities added status with their husbands.
4. Outreach services for reproductive health and family planning are urgently needed.
5. Bearing in mind that many women work in agriculture, the green revolution brings incentives for improved education for both men and women, including for children who are likely to stay longer at school.
6. Urbanisation further reduces incentives for larger families, since children are less likely to be an economic asset from a young age, and instead require longer schooling.
7. More controversially, Sachs advocates legalised abortion to reduce unwanted pregnancies and the dangers from illegal abortion. He argues that legalising abortion can reduce the total fertility rate by half a birth on average (p. 190).
8. Providing social security in old age also reduces the incentives to have larger families.
9. Sachs acknowledges the role of public leadership to change customary family patterns, but regrets that 'authority figures such as religious leaders oppose contraception and family planning', delaying the transition to lower fertility. (p. 190).

### **Role of government**

Sachs is no fan of the free-market neoliberal economic policies that, as well as causing havoc in global financial markets, have for years been major impediments in developing countries. Nor did such neoliberal policies support the past growth of the United States itself. 'This role of the federal government in financing the uptake of infrastructure in rural America is rarely acknowledged by free-market ideologues, and it certainly is not mentioned by U.S. and World Bank officials who have championed the full privatization of utilities in rural Africa and other impoverished regions' (p. 235).

Instead he argues that states must more directly provide economic security for their citizens, in developing countries as well as in western nations. 'The social-welfare state, in this sense, can be a powerful instrument for enlightened globalization, both within the rich countries and in fostering sound relations between the rich and the poor countries' (p. 264).

### **Millennium Villages Project**

As examples of effective implementation of the MDGs, Sachs highlights the Millennium Villages Project in Africa, which has produced very positive results. These projects are designed to ensure quick results, long-term impact, community involvement and at a modest cost of about \$US120 per villager per year over five years, in communities of 5000 people. The costs are shared among external donors, the local government, the community (in kind) and other partners, including NGOs. By the end of 2006, 400,000 people were involved, living in 79 extremely poor villages in different regions of Africa (p. 239).

'Five goals are set for each village in the first year: a good harvest using improved inputs (high-yield seed and fertilizer); malaria control based on bed nets and medicines; improved water sources for household use; and improved attendance of children at school supported by a midday feeding program (using locally produced food if possible)' (p. 239).

The book is supported by footnotes, an excellent bibliography and index.

### **Evaluation**

No one can doubt that Sachs has played an extraordinary role in promoting the Millennium Development Goals which may one day be considered akin to the nineteenth century campaigns against slavery. He not only brings enormous expertise to the discussion, but he translates it into accessible, understandable terms to help mobilise public opinion.

In contrast to the contemporary fashion of moral scepticism, Sachs has filled out a detailed picture of what the common good involves today. Here is a moral vision for humanity in a globalising world, as it struggles to raise living standards for everyone, improve the distribution of goods and resources, and secure a sustainable future in the face of global warming. This is about as far as one can go from moral subjectivism, and outlines in objective terms the high degree of consensus that people of good will and common sense can reach about the content of the 'common good'.

People familiar with the Catholic philosophy of the common good and the social traditions of the churches will readily embrace the overall outline of Sachs's work, even if details will need to be continually adjusted in the light of further experience.

Nevertheless, various religious organisations have very different views about contraception and family planning, including of course the Catholic Church.

The two main areas where many people will most likely differ from Sachs are over his views on abortion, and on his insistence that we need rapidly to reduce population growth to below 8 billion.

In the past, there have been some widespread manipulation and abuses with birth control programs, as detailed by Donald Warwick in *Bitter Pills: Population Policies and their Implementation in Eight Developing Countries* (Cambridge University Press, 1982). Hopefully such systemic abuses no longer occur on such a scale, and people wishing to limit their family size are well informed about the methods, and can make a free and conscientious choice. It is widely accepted that the most effective way to limit rapid population growth is by raising living standards, and by providing basic healthcare, education and life opportunities.

But it is difficult to see how population growth could be curtailed to remain under 8 billion without extreme measures that would infringe the freedom and conscience of many people. There are certainly new factors that need to be considered in population policies, especially the impact of global warming on food production and water resources, and the effects of the global financial crisis. It is arguable that more pressing threats to human wellbeing may justify more restrictive policies, while still respecting the freedom of couples in making decisions about family size. (See my article, 'Population and the Church in the context of global warming', *Japan Mission Journal* [Winter 2006] at [www.frbruceduncan.com](http://www.frbruceduncan.com)).

Moreover, it is not clear that the world cannot provide reasonably for 9 billion people, as most experts have up till now considered possible. The recent spike in food prices has many causes, not least the diversion of more than a third of US grain output into ethanol production. And better economic policies and investment could greatly increase food production in many developing countries themselves, as Sachs argues.

On abortion, it has been impossible to form a consensus in western countries, and this failure is reflected in debates over development policies as well. On the one side, people who in conscience believe that the unborn are entitled to the right to life from conception can hardly be expected to support policies promoting or tolerating abortion.

On the other hand, where there is no firm public consensus against abortion, governments find it very difficult politically to outlaw or ban such practices. The outcome in western countries has been to tolerate abortion under certain conditions, but to allow people of opposing views to argue their positions in the public forum.

*Common Wealth* is a key book at this moment in our human story, and no doubt Sachs is already revising sections to account for more recent developments. Even if, like me, one has serious questions about Sachs's views on population issues, these are discussions we need to have in a clear and informed manner. I suspect most readers would give a positive response to 95 percent of this challenging book.