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War against poverty: Why foreign aid alone won't do

Title: The end of poverty: How we can make it happen in our time?

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You better order for two beers at a time, because by the time you embark on the second one, beer prices will have soared. We are talking hyperinflation, a situation where fiscal imprudence opens the floodgates of money thereby saturating an economy. Simply put, there's far too much money chasing too few available commodities.

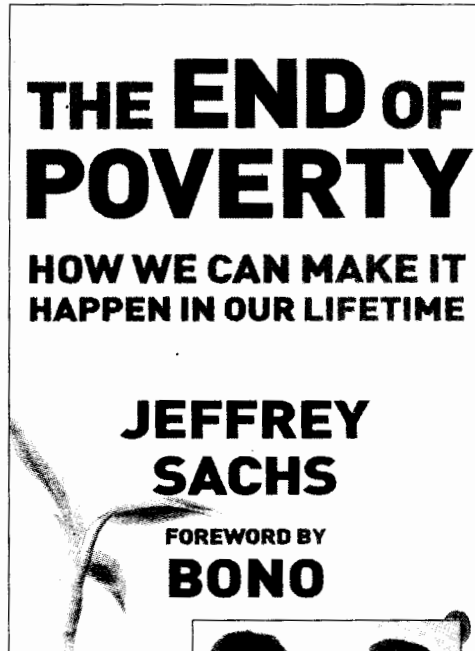
The above situation is just one of the myriad problems that bedevil the developing world, the poor world, put bluntly. Others are extreme poverty, debilitating diseases like malaria, polio and HIV/Aids, lack of education, poor infrastructure, bad governance, lack of research and development, and paltry assistance from the rich world.

The End of Poverty: How We Can Make It Happen in Our Time by Prof Jeffrey D. Sachs, macroeconomist and special adviser to UN-Secretary General Kofi Annan, is not only informative but also apropos particularly at a time when the poor countries are perhaps overly optimistic about the achievement of the UN Millennium Development Goals. Sachs clinically diagnoses the economic ailments of poor countries and demonstrates how they can be pulled out of extreme poverty in our lifetime. The countries reviewed include Bolivia, Guatemala, Poland, India, China, Japan, Korea, Malawi and Kenya. Sachs explains how innovative ideas, coupled with adequate donor funding, have helped reform some of these countries.

Sachs' diatribe against the US and its acolytes, the International Monetary Fund and the World Bank, is particularly riveting. He fittingly blames them for the economic mess in the poor countries. For example, their infamous and ill-advised structural adjustment programmes (SAP) for poor nations, between 1980 and 1990, run counter to good economic sense and consequently devastated their recipients.

The sharp criticism of the Western world by Sachs echoes Walter Rodney's in *How Europe Underdeveloped Africa*. Rodney graphically, and with numerical illustrations, detailed the despoliation of Africa by the West through slavery, colonialism, and later neocolonialism.

The rise of erstwhile poor countries like Japan, Korea, and now India and China is due to a combination of factors — favourable geography (proximity to sea and navigable rivers), good climate, rich soils, good trading policies, high investment in science and technology, support from the Diaspora in Europe and US, innovative ideas and, of course, adequate and relevant financial and material assistance from the developed world. These factors are



Above the book cover and, right, Jeffrey Sachs and Bono.



absent in most poor countries, especially Africa. Indeed, at independence, most African countries made serious political and economic *faux pas* that undermined their progress in the ladder of development.

The thesis defended by Sachs is surprisingly simple. The developed world is not providing adequate aid to the poor countries. In clear numerical illustrations, he exemplifies the economic situation in these impoverished nations and shows how additional assistance could make the difference. Adequate financing of these economies could jumpstart them and propel them out of the poverty cycle, he argues.

The money given is so little that there's no way the poor countries can ever get near accomplishing the eight millennium development goals — eradicating extreme poverty and hunger, universal primary education, gender equality, reducing child mortality, reducing maternal mortality, combating HIV/Aids and other diseases, ensuring environmental sustainability, and developing a global partnership for development.

Destroying the myth that donors are doing more than enough for Africa, Sachs shows that in 2002, for instance, the US gave \$3 per sub-Saharan African. After deducting the fees charged by US consultants and the lavish all-terrain vehicles, administrative costs and debt servicing, only a paltry six

cents percolated to the African. How can such aid ever help him attain the poverty escape velocity?

In the latter part of the book, Sachs makes the case for development assistance to the poor countries from rational and practical standpoints. He anticipates these questions: Why should the rich nations help the poor ones? Shouldn't they be left to wane and perish, if need be, in line with the theory of Social Darwinism (the fittest society survives as the weak dies off)?

Aware of the pervasive myths about why the poor countries have remained poor, Sachs devotes the last section of his book to debunking them. For instance, Africans are stereotypically characterised as passive and lazy. They lie under a mango tree waiting for a mango to drop on their nose so that they may eat it! In addition, they have loose morals and their cultures are not only primitive but also inimical to development. Africans have no concept of time. In a word, Africans are their own worst enemies. These myths have been perpetuated by the Western world since the infamous days of Exploration in the 15th Century. They formed the very basis of slavery and later colonialism.

Sachs proves that they do not stand up to scientific scrutiny. They are sheer racial prejudices designed to justify oppression, depredation and neglect of the poor by the powerful nations. His book also provides food for thought for the poor countries. It takes two to tango. Like the Soviet workers joked, "You pretend to pay us and we pretend to work", the poor countries should stop pretending to work toward eradicating extreme poverty and likewise, the rich countries should stop pretending to be providing the requisite financial assistance to them.

Although Sachs recommends adequate funding to revamp the economies of the poor countries, one cannot help infer from his book that it was innovative ideas that fuelled the Industrial Revolution in Europe and later US. Innovative ideas made Korea, Japan, Singapore, Malaysia, and more recently India and China prosper. Today, they are out of extreme poverty. For instance, in the 1960s Malaysia's gross national product (GNP) was at par with Kenya's and slightly behind Ghana's. Today, Malaysia is a fast-growing country whereas Ghana and Kenya belong squarely in the category of poor countries.

One wonders then why Africa has been unable to harness the requisite intellectual wherewithal to spur economic growth. Africa appears to place extremely low premium on intellectual capital. This attitude translates into abject conditions of service and absurd emoluments for professionals and university professors. The ensuing brain drain since the 1960s has left the continent haemorrhaging and desperate for ideas that can resuscitate it.

The mind is what will liberate us, not donor funding alone.

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