

Jeffrey Sachs, (2005). The End of Poverty: Economic Possibilities for our Time. New York: The Penguin Press. (Book Summary and Book Review)

Dr. Kazi Abdur Rouf¹

¹ University of Toronto

Received: 14 December 2013 Accepted: 31 December 2013 Published: 15 January 2014

Abstract

This paper is a book review of the book 'The End of Poverty: Economic possibilities for our time' written by Nobel Laureate Jeffrey Sachs (2005), an American renowned economist and director of the Earth Institute, Columbia University. In the book, Sachs talks about global poverty issues and their miseries in poor countries. Moreover, he provides statistics with examples of the many problems related to economic, educational, population, cultural, health and environmental issues. He narrates in detail the poverty of Malawi, Bangladesh, Kenya, India and Bolivia. The book compares and contrasts the economic histories of China, Russia and India. The book also narrates the current Chinese and Indian economic booms in the global context. The book contains economic histories of many countries; it has many suggestions for economic policy reforms and cooperation among rich and poor countries. It contains suggestions for improving donor funding plans, and strategies for ending poverty in poor countries.

Index terms— clinical economics; corruption; donors funding; international funding policies; economic development; economic policy reforms; information technology

The book contains economic histories of many countries; it has many suggestions for economic policy reforms and cooperation among rich and poor countries. It contains suggestions for improving donor funding plans, and strategies for ending poverty in poor countries. Jeffrey Sachs describes World Bank and International Monetary Fund (IMF) activities and their wrong, stereotypical funding policies and strategies for different countries, particularly those in Africa. He identifies information technology (IT) flow, different technological innovations, technological change and its development (invention of the steam engine, use of coal, invention of the rail engine and railway, electrification of industry) and their contributions to world development. Poor countries are using less IT and technology; however, as a result, they get fewer benefits from them than rich countries. Hence there are needs for use of more IT in poor countries.

The book suggests simultaneous trade investments in and aid to poor countries for their socio-economic development, in addition to technology and energy support to them. Moreover, at the end of the book, Jeffrey Sachs provides nine tips / actions / steps for ending poverty around the world: 1) adopt a plan of action; 2) raise the voice of the poor; 3) redeem the role of the United States in the World; 4) rescue the IMF and the World Bank (they have been misused as creditors; 5) run agencies, rather than international institutions, that represent all of the 182 member governments; 6) strengthen the United Nations; 7) harness global science; 8) promote sustainable development; 9) make a personal commitment.

1 Introduction

Jeffrey Sachs (2005), the Nobel Laureate and Director of the Earth Institute, Columbia University, in his book "The End of Poverty: Economic possibilities for our time" provides global poverty statistics and describes many

countries' poverty situations with examples. The book narrates the role of international institutions like the World Bank and the International Monetary Fund (IMF) in increasing poverty in developing countries. Jeffrey Sachs raises many issues of social, economic, and cultural nature, such as public health, HIV Aids, child mortality, maternal mortality, population problems, malaria, polio etc. in the book. He articulates environmental problems like environmental pollution and climate change, and their devastations that destroy our Mother Earth in different countries and exacerbate global poverty, particularly in the developing countries. The book describes how the poverty trap works globally at the expense of the human face. It narrates the ups and downs of the economic development histories of different countries like India, China, Russia, U.S.A. and Japan. Moreover, the book compares and contrasts the economic histories of China, Russia and India.

The book mainly focuses on global poverty and its miseries in the poor countries. Jeffrey Sachs provides many suggestions in the book about how to end poverty in the poor countries. He narrates with examples how different countries have started their economic development processes. The book tells about technological change, the flow of technological innovations and their development (invention of the steam engine, use of coal, invention of the rail engine and railway, electrification of industry), IT information flow and their contributions in society. The book also argues the pros and cons of science and technology and their contributions to economic progress and economic decline throughout the world. Moreover, the book touches upon the contribution of computers to socio-economic development in society; however, there are problems that exist in using computers and IT in the developing countries. Therefore it is important to identify how developing countries can overcome problems in using computers and in developing IT industries.

2 II.

3 Significance of the Book Review

This book creates new knowledge, thoughts, policies and strategies that might inspire poor countries to organize them against poverty and to develop partnerships among international agencies and rich countries for foreign funding and foreign investments for the well-being of the poor countries. It tells us how to use IT and energy resources, and reminds us of the human potential for creative cooperation exemplified by the sharing of resources for ending global poverty. The book is critical of World Bank and IMF international funding schemes. The book awakens international donors and international investment agencies to improve their funding/investment policies and strategies. The book has many economic statistics, facts and figures that show that possibilities or opportunities exist so that poor countries could develop people-centered economies for the well-being of all their people. This book review could promote cooperation among international donor agencies, and increase collaborations among rich and poor countries based on Jeffrey Sachs' recommendations. The reviewer of this book thinks this book summary and review provide readers with a synopsis of the book and shares Jeffrey Sachs' 'The End of Poverty' and its features, such as descriptions of different policies, strategies and services, that might help researchers think about and find out ways of implementing economic development for altruistic communities, making life better in the contemporary world.

4 III.

5 Chapter-Wise Book Summary

Chapter 1: "A Global Family Portrait" talks about socio-economic features of Malawi, Bangladesh, India and China and the development services provided to their people to address their poverty. The book narrates that in Malawi 84 percent of the population lives in rural areas, in Bangladesh 76 percent, in India 72 percent, in China 61 percent, and in the United States 20 percent. Services account for fewer than 25 percent of employment in Malawi, whereas in the United States, they account for 75 percent (Sachs, 2005: p. 18). In Malawi many whole villages are with few able-bodied women and men because of the AIDS epidemic. The country's HIV AIDS organizations submitted a proposal to its donors for a new system of drug delivery, but it was not fully funded. This indicates donor funds are not fully available for human crisis projects around the world.

Jeffrey Sachs (2005) finds in Bangladesh poverty is decreasing because this country has several steps up the ladder of development by implementing many community development projects like green revolution, blue revolution, micro-credit, community forestry, community nutrition education and adult education across etc. Bangladesh. Bangladesh demonstrates there are ways forward if the right strategies and combinations of investments are applied. He mentions that Grameen Bank micro-financing and Bangladesh Rural Advancement Committee (BRAC) activities contribute to Bangladesh poverty eradication. The book mentions that BRAC and Grameen Bank pioneered 'microfinance', giving funds to women once considered unbankable, and allowing them to engage in agriculture, commerce and food processing small businesses. Many of the women engaging in microcredit etc. have less children and want less children; fewer children will also help get out of the cycle of poverty. However, the book does not narrate these two world famous organizations by giving details of their programs/services and their implementation strategies. The detailed information about these two NGOs could provide readers more information and ideas about these two organizations' services and implementation strategies. The detailed information might assist readers in thinking about how to initiate the social development programs in their own country's context.

Although Bangladesh is not out of the grip of extreme poverty, young women are working in garment factories in inhumane working conditions and are lowpaid. He interviews many garment workers in Bangladesh. There he finds the garment workers are suffering in exploitive sweatshop job environments where these women are working. At the same time they talked to Sacks about their greatest opportunity for their empowerment. For example, they could imagine being able to save surpluses from their pay, manage their own income, have their own rooms, and choose when and whom to date and marry, choose when to have children, and use their savings to go back to school. According to Jeffrey Jacks this is the first step on the ladder out of poverty for Bangladesh.

Jeffrey Sacks finds India has made 'Export Revolution' in South East Asia. The information technology (IT) revolution is creating jobs for young educated women, unknown of before. He mentions, for example, Indian IT young women who have taken a medical transcription course and do the jobs of transcribing medical charts. For this they earn \$250-\$500 a month. This income is more than twice the earnings of a low-skilled industrial worker in India and perhaps eight times the earnings of an agricultural labourer. These are women whose mothers perhaps had to labour in garment factories and whose grandmothers no doubt worked as agricultural labourers. This is a generational employment history and professional change in India. Economic growth in India is now 6% or more per year because of growth in not just IT, but also textiles, apparel, electronics, pharmaceuticals and automotive components.

Jeffrey Sacks mentions in this chapter (Chapter 1) that people in the U.S. worry about growth of India and China. However, the world is not a zero-sum struggle in which one country's gain is another's loss; rather it is "a positive-sum opportunity in which improving technologies and skills can raise living standards around the world" (Sacks, 2005: p.16). Jeffrey Sacks expresses China as the 'Rise of Affluence'. For example, Beijing is now a booming city of eleven million; annual income has surpassed \$4,000 per capita, and the Chinese economy continues to soar at above 8 percent growth per annum. "China's advance during the past 25 years reflects the fact that within two decades, it has gone from being a virtually closed society and economy to one of the great export powers of the world." (Ibid, p. 17). Chinese exports have been fuelled by inflow of foreign investment and technology in combination with relatively low-cost Chinese workers who are proficient in skills of all sorts. Result has been a rise in exports from \$20 billion in 1980 to around \$400 billion in 2004 (Ibid, p.18). These four examples of development (India, China, Bangladesh and Malawi) show us the pivotal roles science and technology, and exports play in the development process; they also show a progression of development that moves from subsistence agriculture toward light manufacturing and urbanization.

Chapter 1 also mentions that poverty does exist in rich countries, but not extreme poverty. However, the book does not provide facts and figures of poverty in developed countries, even in Jeffrey's own country, the US. In the US the poverty rate is 10% (US Bureau 2008). In all rich countries single mothers'/single parents' poverty rates are increasing. Hence there is a need for poverty intervention in rich countries too.

The book articulates global poverty statistics in different economics classes. For example, globally one billion people are fighting for survival each day. Their cash earnings are pennies each day. A few rungs up the development ladder are the upper end of the lowincome world, roughly 1.5 billion. These are "the poor" who live above mere subsistence; although daily survival is assured, they struggle in the cities and countryside to make ends meet. The poor and the extreme poor make up about 40 percent of world humanity. Another 2.5 billion people, including the Indian IT workers, are in the middle-income world (Sacks, 2005: p. 20). However, they would not be recognized as middle-class by the standards of rich countries. Still higher up the ladder are the remaining one billion people, roughly a sixth of the world's population, in the high-income world (Ibid, p. 20).

Jeffrey Sacks identified three degrees of poverty: extreme poverty, moderate poverty and relative poverty. Extreme poverty means that households cannot meet basic needs for survival, moderate poverty refers to conditions in which basic needs are met just barely, relative poverty is generally construed as a household income level below a given proportion of average national income. The relative poor, in high-income countries, lack access to cultural goods, entertainment, and recreation, and to quality health care, education etc. The overwhelming share of the world's extreme poor, 93 percent in 2001, live in three regions: East Asia, South Asia, and sub-Saharan Africa. Half of Africa's population lives in extreme poverty, and the proportion have risen; the proportion of the extreme poor in East Asia has plummeted from 58 percent in 1981 to 15 percent in 2001; in South Asia extreme poverty has dropped from 52 percent to 31 percent. Eastern Europe's extreme poverty rate rose from negligible levels in 1981 to 4 percent in 2001 (Sacks, 2005: p. 21). Jeffrey Sacks's concern is, as a global citizen, that the world should ensure that the international rules of the game in economic management do not have economic snares (traps) along the lower rungs of the ladder in the form of inadequate development assistance, protectionist trade barriers, destabilizing global financial practices and poorly designed rules for intellectual property. These are the barriers that prevent the low-income world from climbing up the rungs of development. The good news is that in 2002 all 191 UN member states agreed with the Millennium Development Goals (MDGs). These goals are important targets for cutting poverty in half by the year 2015. These MDGs represent a crucial landmark on the path to ending extreme poverty by 2025. To accomplish all of this, the rich countries need to provide what they have long promised. To meet these challenges, fiscal policy makers and executives first have to understand how they got to where they are.

Chapter Two is entitled 'The Spread of Economic Prosperity'. The author describes the economic history and demographic history of the world since two thousand years before and after BC. Here Jeffrey says, 'The move from universal poverty to varying degrees of prosperity has happened rapidly; before 200 hundred years almost

everyone was poor except for landowners. One leading economic historian, Angus Madison, puts the average income per person in Western Europe in 1820 at 90 percent of the average income of Africa today” (Sacks, 2005: p.26). The past two centuries since around 1800 are a unique era in economic history. Before then, indeed for thousands of years, there had been virtually no sustained economic growth in the world. There were only gradual increases in the human population.

The book talks about world demographic history and statistics. The world population has risen rapidly in the last two centuries. However, before this it had gradually increased from around 230 million people at the start of the first millennium in A.D. 1 to perhaps 270 million by A.D. 100 (Sacks, 2005: p.27). As shown on a figure on page 27 of the book, global population raised more than six fold in just two centuries, reaching 6.1 billion at the start of the third millennium. The population reached in 2011 was seven billion people (World Population Statistics). The world’s average per capita income had increased by around nine times between 1820 and 2000 (Ibid, p.28). There was a 49-fold increase in total economic activity in the world over the past 180 years. Malthusian demographic theory dictates that when the geometric progression in a population’s increase supersedes economic resource growth of a country, it results in a resource crisis. This section alerts us to the population increase and reminds / alerts us that developing a plan for managing population growth is necessary for the world’s sustainable economic growth.

Jeffrey Sacks asserts that the gulf between rich and poor countries is a new phenomenon. As of 1820, the biggest gap between the rich (taking the UK as the richest country) and the poorest region (Africa) -was a ratio of four to one in per capita income. However, by 1998, the gap between the richest economy (the United States), and the poorest region (Africa) had increased by twenty to one (Sacks, 2005: p.28). He mentions that there are three main points standing out: 1) All regions were poor in 1820, 2) All regions experienced economic progress, 3) Today rich regions have experienced by far the greatest economic progress (Ibid, p.29). Hence the world is facing regional imbalance in socioeconomic growth that creates social and economic injustice. Moreover, it creates the resource consumption imbalance among rich and poor countries of the world by distant manufacturing and distant resources travelling from poor countries to rich countries. However, the distance manufacturing concept exploits cheap labour in third world countries. As a result more poverty exists in Africa, South East Asia, South Asia, and Latin America.

Technology has been the main force of development in richer regions. Technology is the ‘Eve of Takeoff’ progress of rich nations. Even political power was fuelled by technology and industry. For example, Britain’s industrial breakthrough created a huge military and financial advantage that allowed Britain to expand its control over one sixth of humanity at the peak of the empire during the Victorian era (Sacks, 2005: p. 33). According to Jeffrey Sacks British development was faster for six reasons: 1) British society was relatively open, with more scope for individual initiative and social institutions of political liberty; allowing free speech and open debate contributed to the creation of new ideas, 3) Britain became one of the leading centres of Europe’s geographical advantages, 5) Britain remained sovereign and faced lesser risk of invasion than its neighbours and engine, coal freed society from energy constraints. There is a great transformation that occurs when populations move from rural to urban settings. This urbanization process develops discriminatory new gender and family roles, and specialization in labour.

Jeffrey identifies two basic reasons why urbanization and economic growth go hand in hand and generate a negative impact in society: 1). As food production per farmer rises, an economy needs fewer and fewer farmers to feed the overall population, but the food prices fall causing farmers to seek employment in nonfarm activities. 2). Gender roles change, which leads to changes in family structure. The age of marriage is typically delayed, sexual relations are transformed and fewer generations of family members live under one roof.

The diffusion of modern economic growth (MEG) occurred in three main forms 1). MEG took place within Europe itself, 2) MEG spread from Britain to colonized countries, and 3). MEG spread from Europe to Latin America, Africa, and Asia. However, there was much direct and indirect confrontation between rich and poor. A gap of wealth also meant a gap of power, and power could be used for exploitation. Therefore the ‘Great Rapture’, happening after World War I, made a dramatic change to end the era of European-led globalization, reshaping the ‘Global Economy’ and starting the US economic regime (Sacks, 2005: p. 46). Europe, the United States and Japan reconstructed a new international trading system under US political leadership, and began building a market-based freetrading system. After World War II, the third world, simply meaning poor, included the rapidly rising number of postcolonial countries. By the early 1990s, the majority of countries of the second world and third world were saying in order to eradicate the low-income countries’ extreme poverty, “We need to be part of the global economy once again” (Ibid: p.48).

In Chapter 3, Jeffrey Sacks identifies reasons for some countries failing to thrive. Here his first point is to understand the economic measuring framework of the GDP per person. However, growth of household income per capita can increase in at least four ways: through saving, trade, technology, and a resource boom. Nonetheless, the lack of saving, absence of mobility than most others, 2) It was strengthening scientific revolution, 4) It has several crucial 6) It has coal, and with the invention of the steam trade, technological reversal, natural resource decline, adverse productivity shock (natural disaster) and population growth are the causes of failure of economic development in poor countries. Hence the poor countries need to emphasize accumulation of savings, smart trade and the use of technology and natural resources for their own development.

Chapter four is entitled ‘Clinical Economics’. Jeffrey Sacks’s clinical economics is a symbolic comparison

with clinical medicine. He proposes a new method for development economics called 'clinical economics' to highlight similarities between good development economics and good clinical medicine. This perspective learns from medicine's scientific development and systematization of clinical practice. It is the economics that is needed to replace the past twenty years of development practice known as the structural adjustment model.

The book mentions that the rich world dominates third world countries by employing Ph.D. economists in international institutions like the International Monetary Fund (IMF) and the World Bank. However, it is a wrong strategy of the World Bank and IMF because rich countries' economic development policies, strategies and paths are different from those of developing countries. Hence it is appropriate to let the developing countries themselves identify their own resource strengths, resource gaps, and resource needs, and possible solutions for their own socioeconomic development.

Jeffrey Sacks realized he had learned an important set of skills and that 'the standard tools of economics' are adequate if they are properly used in a particular situation. His clinical economics lessons are as follows: Lesson-1 is that economies are complex systems. Societies have distinct systems for transport, power, communications, law enforcement, national defence, taxation etc. They must operate properly for the economy to function. The failure of one system can lead to a cascade of failures in other parts of the economy. Lesson-2 is that complexity requires a differential diagnosis; this means there are many causes for one problem. The IMF, by contrast, focuses on a very narrow range of issues such as corruption, barriers to private enterprise, budget deficits, and state ownership of production. As a result, the IMF has overlooked urgent problems involving poverty traps, agronomy, climate change, disease, transport, gender and a host of other Lesson-4 is that monitoring and evaluation are essential to successful economic development treatment. When economic goals are not being achieved, it is important to ask why. The development economics community does not take on its work with the sense of responsibility that the task requires. Rather, they are providing economic advice to others which, at most, offer superficial approaches. Hence it requires a commitment to give honest advice. However, the IMF and the World Bank and many other agencies have hired and sent armchair advisers from rich countries. These are wrong practices of the IMF and World Bank (Sacks, 2005: p. 77-78).

In the SAP model, the rich countries told the poor countries, "Poverty is your own fault. Be like us befreemarket oriented, entrepreneurial, fiscally responsible..." (Sacks, 2005: p. 81). The IMF-World Bank programs of the structural adjustment era were designed to address the four maladies that are assumed to be economic ills: (1) poor governance, (2) excessive government intervention in the markets, (3) excessive government spending, and (4) too much state ownership. However, Jeffrey Sacks considers these as wrong diagnoses of a country's economic diseases. Rather, he suggests that belt tightening, privatization, liberalization, and good governance are the solutions for a country to come out of poverty.

The Millennium Development Goals (MDGs) offer the world a chance to do better after 20 years of failed policies; the failure to meet the MDGs are failures of both rich and poor, since both are responsible for their success. To evaluate the extent of extreme poverty, the economist should make a set of poverty maps using available or newly commissioned household surveys. They would develop their own geographic information systems and data, national income accounts and other information. Poor countries should survey households to find which live in extreme poverty and which households lack access to basic needs in schooling. Moreover, it is necessary to develop the economic policy framework, the fiscal framework (the current levels of budget spending and public revenues) and the patterns of governance (rule of law).

The fiscal policy should conduct thinking about efficiencies of the health-care system, basic public services such as water and sanitation systems, power, health and sanitation. The country needs to emphasize electricity and roads infrastructure development and improve transport conditions. Moreover, many economists and human ecologists think people's nutrition is connected with rural or urban poverty and human ecology. However, Jeffrey Sacks rightly identifies that 'economics management' is not only fiscal budget and fiscal financial management; it is about a country's total socioeconomic, cultural, and environmental development. Therefore it is necessary to identify faulty systems of public management for the registering of businesses and trade. An integrated economics could identify the cultural barriers and gender discrimination that hampers economic development. Moreover, he discovers the importance of geopolitics: the international security bloc of the country, the potential for international pathologies. Lesson-3 is to understand the social setting.

sanctions and cross-border security threats against the country.

Chapters five, 6 and 7 are about narrations of Bolivia's high-altitude hyperinflation, Poland's reunion to Europe, and reaping the whirlwind: Russia's struggle for normalcy, respectively.

Chapter 5 talks about Jeffrey's working experience in regards to the economic ups and downs of Bolivia through its history, different minerals and their export history, and causes of currency hyperinflation.

Chapter six is about the history of Poland's shift from liberal communist state to solidarity state, its democratic revolution history, its transformation to establish a market economy, the launching of the economic plan and actions taken for its development, and his lessons learned from Poland's reform.

Chapter 7 talks about Russian political and economic history, its transformation from communism to free-market economy and its capitalism and mode of foreign investments should be identified. Here the book advocates for three actions needed by the West to support Russia's economic transformation: (1) a stabilization fund for the ruble, (2) an immediate suspension of debt payments, followed by deep cancellation of Russia's debts, and (3) a new aid program for transformation, focusing on the most vulnerable social sectors of the Russian economy.

Chapter 8 is entitled 'Catching up After Half a Millennium'. This chapter talks about China and its economic ladder in the 21st century. China's population of 1.3 billion is more than a fifth of humanity; Asia's population includes 60 percent of humanity; Asia's fate is the world's fate (Sacks, 2005: p. 149). India and China are ancient civilizations that were far ahead of Europe a few centuries ago, yet now they are catching up to North America and Europe. In 1975, China's per capita income was a mere 7.5 percent of Western Europe's. Especially since the past quarter century China has soared, reaching about 20 percent of Europe's income level by 2000 (Ibid, p.150). China is progressing from turmoil to economic takeoff stage. China's is a largely agricultural economy independent of the state. However, Russia has a largely urban economy dependent on the state. In the 1980s and 1990s, first China provided rural peasants freedom to leave the farm and begin to work in rural industries known as township and village enterprises (TVEs). Second China emphasises on international trade and investment that was liberalized, initially in specially designated free-trade zones, known as special economic zones (SEZs). This policy contributed to manufacturing exports soaring from a few billion dollars in 1980 to more than \$200 billion by 2000 (Ibid, p. 161).

In the Soviet Union, by contrast, Gorbachev tried to free the non-state sector while preserving the state enterprise sector; whereas China had 80 percent of the labour force outside state-owned enterprises. The Soviet Union has massive foreign debts while China did not. However, according to Jeffrey China's greatest challenges are: 1) China's growth is not uniformly high throughout the country, there is an East-West divide, the East with the pacific ocean and some of its most important export cities, the West has a forbidding mountain plateau; 2) Social and environmental protection: China is unable to cover many rural people with healthcare services. It needs to take care of environmental protection more seriously; 3) Political reform-democratization: China's idea of a centralized state, with power emanating from the top, has been the basic Chinese model. However, China needs a decentralized and diverse market economy.

Chapter 9 talks about 'India's Market Reforms'. India began to introduce far-reaching market reforms in 1991. The Author considers India's history during the seventeenth to nineteenth centuries, when it lost its sovereignty to a private corporation (the British East India Company). The British Raj did not show an interest in educating the Indian population (Sacks, 2005: p.174). Moreover, its per capita economic growth during the period 1870 to independence in 1947 was a meagre 0.2 percent per year, compared with 1 percent in the UK" (Ibid, p.176).

This chapter (Chapter 9) of the book mentions that "By 2004, India was growing at around 7 percent per year, approaching the growth rate of China?By national measures, the poverty rate declined from 42 percent of the population in 1990 to an estimated 35 percent of the population in 2001" (Sacks, 2005: p.181). In other words, economic growth reduced poverty. Still, India has economic challenges to reduce its poverty. However, the good news is that India has made a new goal to provide "electricity for all", and develop basic infrastructure and social services.

Chapter 10 talks about different diseases that cause human sufferings in African countries. The reasons are poverty and inappropriate fiscal policies and inadequate funding from the donors. Jeffrey Sacks claims that it is not true African countries are behind in development because of corruption, lack of good governance and market reforms. He finds Asian countries (Bangladesh, India, Indonesia and Pakistan) have extensive corruption, but they enjoyed rapid economic growth. African countries are suffering from HIV AIDS and Malaria. They need funding for eradicating these diseases. However, rich countries and international donors are not funding enough to address these issues in Africa. Jeffrey Sacks (2005) believes, "Many African governments are desperately trying to do the right things, but they face enormous obstacles of poverty, disease, ecological crisis, and geopolitical neglect or worse (p. 207).

Chapter Eleven talks about the Millennium Development Goals (MDGs) and post 9/11 anti-terrorist movement. Millennium goals are 1: eradicate extreme poverty and hunger; 2: achieve universal primary education; 3: promote gender equality and empower women; 4: reduce child mortality (children dying under the age of five); 5: Improve maternal health; 6: Combat HIV/AIDS, malaria and other diseases; 7: Ensure environmental sustainability; 8: Develop a global partnership for development.

Jeffrey Sacks (2005) thinks "It would be a huge mistake to direct all DCs' energies, efforts, resources, and lives to the fight against terrorism while leaving vast and even greater challenges aside. Ten thousand Africans die needlessly and tragically every single day since September 11 -of AIDS, TB and malaria" (p.215) because "The costs of that misadventure have been huge -at least \$130 billion or so in direct military outlays in the first eighteen months in Iraq war?"(Ibid, p.221). It is kind to the perpetrators to call an attack on another in thousands of people dying and indirectly hundreds of thousands (possibly a million). Even if the intention was good or without malice, in an impartial court it would be judged at least as criminal negligence. Many would call it a major crime.

Jeffrey suggests that by facing poor countries' emerging markets "private capital can fuel a great deal of development" (Ibid, p.217).

Jeffrey Sacks has initiated two projects in Sauri Kenya and Mumbai India. He narrates experiences from these two projects in Chapter Twelve. These two micro level projects are examples of on-the-ground solutions for ending poverty. Sachs went to eight Kenyan villages in July 2004 as part of the UN Millennium Project and the Earth Institute. There he finds 30 percent of the adult population in Sauri is infected with AIDS. There he finds just one in four Sauri farmers' uses nitrogen fixation fertilizers in the village because it costs money to use this fertilizer. Around ¾ of households of the village reported that someone was suffering from malaria. Only two

out of two hundred people said they used bed nets, but all said they would like to have one (Sacks, 2005: p.230). Moreover, in his narrations he considers macrolevel problems like geographic isolation, disease, vulnerability to climate shocks, and so on (Ibid, p.226). Jeffrey urges a political commitment to addressing these macro-level issues.

Jeffrey Sachs proposes five interventions to address African issues: 1) agricultural inputs like fertilizers, small-scale irrigation, grain storage, etc.; 2) investment in basic health services; 3) investments in education such as meals for all children at primary school, vocational training, and technical knowledge; 4) electric power, modern cooking fuels, transport, and communications services must be made available, as well as 5) safe drinking water and sanitation. Jeffrey Sachs (2005) says, "Corruption must be dealt with systematically through education and fair pay to senior officials rather than with moralizing" (p. 237). Moreover, he identifies both sides (donors and receivers) as having issues of corruption that need to be addressed to stop corruption.

Jeffrey Sachs has meetings with the urban poor in Mumbai, India and he has come to learn about community organization for slum dwellers with the NGO Society for the Promotion of Area Resource Centres (SPARC). He finds the women of SPARC testify to the power of group action: "Group action has taught them that in fact they have legal rights within the city and even the possibility of access to public services if they act together" (Sacks, 2005: p. 240). However, Sachs finds, "there are problems existing among these women because this impoverished squatter community of women have no land. Therefore there are problems continue among these women to develop their collective voices" (bid, p.241).

The author of the book "The End of Poverty" Jeffrey Sachs believes that investment can contribute to economic development better than aid. In chapter 13, he thinks part of the reason for poverty is that the amount of per capita income declines when a population grows faster than its income (Sacks, 2005: p. 245). Here Jeffrey Sachs draws three diagrams: The first diagram (Ibid, p. 247) demonstrates the basic mechanics of capital accumulation—how a household functions normally and becomes richer. The second diagram (Ibid, p. 248) demonstrates the poverty trap. The diagram indicates that the state has no income, which means that there is no tax money to invest in public services by the state because there is no household savings of the citizens of poor countries. The third diagram (Ibid, p. 248) demonstrates that foreign aid is not enough for food for families in crisis. Rather the money toward the public budget to projects serving to the vulnerable people and micro-financing small businesses will break the poverty trap. Sachs calls this Official Development Assistance (ODA), and it is necessary to poor countries to overcome their poverty.

A government might want to provide subsidized fertilizers to subsistence farmers so that they can produce enough to eat, or micro-credits to rural women so that they can start micro-businesses. Jeffrey Sachs (2005) believes, "Once these households successfully raise their incomes above subsistence, and begin to accumulate savings on their own, the government subsidies can be gradually withdrawn" (p.254). Moreover, he suggests that public funding (investment) should look to develop the six types of capital: (1) business capital (machines, facilities, transport, and industry); (2) human capital (health, nutrition, and skills development); (3) infrastructure; (4) natural capital (land good for farming, biodiversity); (5) knowledge capital (science and technology) and (??) public institutional capital—commercial law, justice system for peace.

In Chapter 13, Jeffrey Sachs mentions that large numbers of people need to be educated in specific country a misadventure, especially it that directly results 73

6 Global Journal of Management and Business Research

Volume XIV Issue VI Version I Year 2014 ()B

ways that will address the tasks at hand. For example, a literate person could be trained as a community health worker (Paramedics) with the ability to prescribe antimalaria and anti-AIDS drugs, give out bed nets, administer immunizations, etc. The chapter has ten examples of successful development projects for scaling up the fight against poverty. They are: 1) the green revolution in Asia.

2) The eradication of smallpox.

3) The campaign for child survival. 4) The global alliance for vaccines and immunization. 5) The campaign against malaria 6) the control of African river blindness. 7) The eradication of polio. 8) The spread of family planning. 9) Export processing zones in East Asia. 10) The mobile phone revolution in Bangladesh. Chapter 14 is entitled "A Global Compact to End Poverty". Ending poverty requires assistance from both the rich and the poor. Many donors give such little funding to so many projects in developing countries that they are really only for show. For example, Ethiopia needs about \$70 per person per year in development assistance compared with the \$14 per person it receives today (Sacks, 2005: p.266). The author describes the issue of the planning process for funding from the donors. The UN secretary-general should oversee the entire effort of the funding planning process. He suggests that each low-income country should adopt a poverty reduction strategy (PRS) specifically designed to meet the Millennium Development Goals. Jeffrey claims that many of them have PRS, but they are unable to achieve their goals because of chronic underfunding.

A Millennium Development Goals-Based Poverty Reduction Strategy (PRS) has five parts: 1) A differential diagnosis which identifies the policies and investments countries need to achieve the goals; 2) An 'Investment Plan' which shows the size, timing, and costs of the required investments; 3) A Financial Plan to fund the Investment Plan, including the amount donors will have to fill; 4) A Donor Plan, which gives the multiyear donor commitments for filling the Millennium Development Goals Financing Gap; 5) A Public Management Plan that

outlines the mechanisms of governance and public administration that will help implement the expanded public investment strategy. This would help the rest of donors to develop their "absorptive capacity", i.e. scale up the health sector if countries lack the doctors, nurses and clinics.

Jeffrey Sacks finds there is a gap between the 'Financial Plan' and 'Millennium Development Goals'. For example, in the education sector, a proper financial plan begins with an estimate of the unit costs of providing the key investments in teachers, classrooms, kilowatt hours of electricity, health clinics, kilometres of road, and so forth. The costs should include not the initial costs of the project, but the costs to maintain the project. For example, many donors would help poor countries build clinics, but wouldn't help with salaries of nurses and doctors to go to the clinics. A financial plan should include a realistic picture of what poor countries can do although they cannot pay.

The book asserts, in this Chapter 14, the following 4 things are important for the donor plan: (1) Magnitude of funding: Aid must be large enough to enable the recipient country to finance its investment plan, (2) Timing: Aid must be long term enough to enable the recipient country to follow through on a tenyear program, (3) Predictability. Aid must be predictable enough so that stops and starts in the aid flows do not jeopardize the investment program or the macroeconomic stability of the recipient country. (4) Harmonization-Aid must support the investment plan, rather than the pet projects of the aid agencies Moreover, in Chapter 14, the author of the book suggests six components for implementing the public management strategy: (1) decentralization: investments are needed in hundreds of thousands of villages and cities; decisions must be at the ground level, not from Washington; (2) make available training to public officials and other agency officials of the country; (3) information technologies are needed to increase the amount of information transmitted in the public sector that are accessible to all parties; (4) develop measurable benchmarks; (5) enlarge public audit teams; and (6) develop intensive monitoring and evaluation schemes for public projects and public works. It is also necessary to enhance regional infrastructure development and cooperation, which are important for a country's development.

Global socioeconomic and environmental policies are important for global poverty reduction too. Poor countries need to address their poverty at the global level by taking into account the debt crisis, global trade policy, science for development and environmental stewardship. Restoration of cultural values and norms are also important. He thinks it is time to cancel the debts of highly indebted poor countries as part of the financing package for the Millennium Goalsbased poverty reduction strategies. However, the global trade policy slogan "trade, not aid" is wrong. According to Jeffrey Sacks (2005) aid and investments should go parallel. The Sectoral approaches are necessary for a country's total development: for tropical agriculture, one needs seed varieties, water management techniques, and soil management techniques, including renewable energy sources in the remotest areas of poor countries. Moreover, developing countries need to improve their water management technologies such as those for water harvesting, desalination, and small-scale irrigation, and to improve management of aquifers which are being depleted by overuse.

Moreover, the book advocates for sustainable management of ecosystems. Poorest are the most innocent victims in a process that is disproportionately caused by rich countries. Rich countries, particularly the United States, need to keep their commitment to the United Nations Framework Convention on Climate Change for the "stabilization of greenhouse gas concentrations in the atmosphere." (Sacks, 2005: p. 284) and give financial assistance to poor countries to enable them to respond to climate change.

In chapter 15, entitled 'Can the Rich Afford to Help the Poor?' Jeffrey Sacks (2005) suggests, "The rich can eliminate extreme poverty by committing 0.7 percent of the gross national product of the high income world (p. 288). He mentions there are five reasons for the requirement of the effort to eradicate extreme poverty (Ibid, p. 289): 1) the numbers of extreme poor have declined to a small proportion of the world's population; 2) the goal is to end extreme poverty, not all poverty; 3) success in ending the poverty trap will be much easier than good governance or efficient market economies; 4) the rich world today is so vastly rich; 5) current tools are more powerful than ever, with mobile phones and the Internet ending an information famine across the world. Global development strategies should emphasize these points in order to develop the underdeveloped countries.

Jeffrey Sacks does not like direct cash transfers for development assistance except for humanitarian crises. He suggests direct foreign assistance should be used for investments to infrastructure and human capital, thereby empowering the poor to be more productive on their own account, and putting them on a path to self-sustaining growth. Jeffrey Sacks (2005) identifies 6-steps proven to be useful for the UN Millennium Project for investments needed to end extreme poverty (p. 291): 1) identify the package of basic needs; 2) identify, for each country, the current unmet needs of the population; 3) calculate the costs of meeting the unmet needs through investments, taking into account future population growth; 4) calculate the part of the investments that can be financed by the country itself; 5) calculate the Millennium Development Goals Financing Gap that must be covered by donors; 6) assess the size of donor contributions relative to donor income.

To fulfill the 'Package of Basic Needs Primary Education for All Children' the book has calculated that of the \$110 per person per year, households will be able to pay around \$10 per person per year, whereas government could pay \$35/year and \$65 would be for donors to finance (Sacks, 2005: p. 294-295). In such case, only \$12 billion out of the \$43 billion in development assistance in 2002 went to low-income countries in a form that helped support the package of basic needs. However, the top four hundred taxpayers in the U.S. had a combined income of \$69 billion dollars or \$174 million dollars per taxpayer (Ibid, p. 305) while the combined incomes of Botswana, Nigeria, Senegal and Uganda in 2000 was the income of 161 million people. If the wealthy would spend the

money they gained from the tax cuts, they could eliminate extreme poverty. Bill Gates has done his part with a gift of \$23 billion establishing the Bill and Melinda Gates Foundation (Ibid, p. 3407).

Hence Jeffrey Sacks concludes it is not a problem for the United States to afford 0.7 percent of GDP aid to UDCs, but the US does not keep its commitment.

In the twentieth century, sociological theories in the tradition of Max Weber tried to explain lower incomes of Southern Europe and Ireland relative to Northern Europe on the basis of Catholicism and Protestantism. However, once malaria was cured, the Catholic countries began to overtake the protestant ones in per capita income. Weber also hypothesized that 'Asian values' would make it difficult for China to achieve economic progress. However, now 'Asian values' are being touted as an explanation for success. In the wake of September 11, Islamic societies have been categorized by some Western observers to be unfit for modernity; yet some of the fastest growing economies in the past decades have been Islamic. Between 1990 and 2001, average annual per capita growth was 3.9 percent in Malaysia, 3.1 percent in Bangladesh and 3.01 percent in Tunisia (Sacks, 2005: p. 316-317).

Jeffrey Sacks thinks 'Social Darwinism', the idea that real life is competition and struggle for survival of the fittest, is another myth. However, although much of free-market economic theory has this vision, economists from Adam Smith onward recognized that competition and struggle are but one side of economic life. Trust, cooperation, and collective action in the provision of public goods are the other side of Social Darwinism. Hence, modern economic planners need to look at communal norms and values instead of only promoting individualism and the profit motive of business culture.

Chapter seventeen talks about why the whole world needs to move forward together to eradicate poverty. The author hears that many Americans put their faith in military spending, which was thirty times more (at \$450 billion) than what they spent on foreign assistance (\$15 billion) in 2004 (Sacks, 2005: p. 329). Many Americans think that more economic linkages with the rest of the world diminish chances of state failure. Since 9/11, the United States of America's budget has emphasized the National Security Strategy. President George Bush Junior increased aid by \$5 billion, but this was not in accordance with the needs of the poor countries (\$100 billion more need for aid increase) to meet the Millennium Development Goals (Sacks, 2005: p. 336). However, much of the money from this funding went to pay development professionals. The US should act as it promised in the Rio Summit on Sustainable Development in 1992, committing itself to reach the accepted UN target of 0.7 per cent of Gross National Product (GNP) in international development assistance (Ibid, p. 338).

Chapter 18 is called 'Our Generation's Challenge'. Adam Smith believed that an economic system could be designed in a way that meets human needs (in Sacks, 2005: p. 348). Immanuel Kant in 1795 argued for the need for a global system of governance to end war. Marie-Jean-Antoine Condorcet, a French philosopher, stressed the need for public education to accomplish all of these goals. Public education is very important to eradicate poverty because the current generation needs to have an advanced enlightened vision (Sacks, 2005: p. 351). Moreover it needs to foster political systems that promote human well-being. Jeffrey Sacks believes that the spread of economic systems could be possible by spreading the benefits of science, technology, and the equitable division of labour in all parts of the world in order to foster international development and to secure peace. Interestingly, the spread of the economic system favoured by the U.S. (corporate capitalism) has been accomplished through wars and threats of violence, as well as making financial assistance dependent on adoption of economic policies that place burdens exclusively on workers. This manuscript thinks conflicts among countries are destroying peace and development of the respective countries. Therefore, avoiding conflict among nations is crucial for development and peace.

In addition to these, cooperation among regional agencies and networking among international and national development agencies can contribute to putting pressure on rich nations to fulfill their role in resolving the human rights issues of developing countries and to solve these problems. Although this is a challenging job, it is necessary for human well-being.

7 IV.

8 Book Review

The book contains world maps marked/sketched with different colours to show moderate poverty and extreme poverty, income per capita, low-income, and average annual GDP per capita growth of different countries in the world. The maps show variation in life expectancy around the world, distribution of foreign affiliates in textile and clothing industries, multinational electronics companies around the world. There are some colourful maps on malaria risk by regions and a malaria ecology index of different countries. The book has many pictures of squatters/slums and schools in different countries. Pictures have scenarios of the social and familial life of poor people in squats. These colourful maps and pictures visually identify different socioeconomic problems/issues in different countries around the world.

The first chapter contains bar diagrams on the numbers of extreme poor, the proportion of people living in extreme poverty, the proportion living in moderate poverty and numbers living in moderate poverty in different regions in the world in 1981. Many tables and figures relate to state failures and subsequent U.S. military involvement, and the ratio of military expenditure to official development assistance (2002). The book has tables that indicate overseas development budgets for sexually transmitted disease control, including

HIV/AIDS in sub-Saharan Africa (1990) (1991) (1992) (1993) (1994) (1995) (1996) (1997) (1998). The book has tables and figures comparing highest U.S. incomes and African GDP. Moreover, the book has statistics in tabular form on the regional breakdown of annual budget support required from donors to meet the millennium development goals (MDGs) by UN agencies. The book also includes figures on private and public capital investment in poor countries, the poverty trap and the role of ODA in eliminating it, and the basic mechanics of capital accumulation. All data, facts, figures and statistics of the book are from secondary sources. There is a chart of details of the Millennium Development Goals (MDGs). These tables, figures, diagrams and checklists assist readers to quickly skim and visually grasp ideas of different issues in different regions and different countries in the world. The tables, figures and diagrams have descriptions in the book too.

Poor people need services in health, nutrition, education, housing, agriculture, security. Moreover, the poor countries need to develop their transportation and IT infrastructures. Jeffrey Sacks believes economists should engage in holistic analyses of countries, which sounds good. However, Rouf's question is: then what? Too much analysis results in economic plan paralysis. Every country has its own 'Economic Master Plan' and 'Five Year Plan', but following Western orthodox economics. These plans are political and serve as eye wash to the public. In addition to this, geopolitics, globalizations, misrule of the rich countries (particularly US and Britain) lead the poor countries to poverty and to be dependent on them. Therefore it is important poor countries should challenge the prescriptions of Western. The book mainly focuses to reform international agencies Aids and G-8 countries international development policies, international funding strategies and actions. Although Jeffrey Sacks is from US, he is critical to US role to international development and fund realising to developing countries. Moreover the book focuses on developing countries poverty; however, poverty also exists in rich countries.

The book misses to narrate poverty situations in rich countries and their poverty eradication in rich countries. For example, according to U.S. Census figures 36 million persons lived in poverty (2005). 20.4 million of the nation's 36 million poor persons are women and 13 million of these women are in what the US Census Bureau has accepted as 'deep poverty'. 9.8 million are single mothers who are by far the poorest group with 38 percent living poverty line. This compares to 11 percent of all Americans who live below the poverty threshold. Among these poor persons, 8.7 million are first-generation immigrants and their family members. Roughly one in four poor persons is an immigrant or member of an immigrant's family. Half of the poor immigrant population is female. Moreover, three million undocumented women are living in United States (Grameen America Project Paper, 2008). However, these women form much of the back bone of USA economy, providing care for children, and nursing services for the aging parents. They clean houses, prepare food in restaurants and pick up food that people eat breakfast (Jewish Council for Public Affairs, 2007). Similarly Canada has poverty. Even poverty rate is higher than USA.

Although Canadian economy is growing; however, according to Statistics Canada 2006, the overall poverty rate is 15.5% in Canada in 2004. The poverty rate for children increased from 16.25 in 1984 to 17.7% in 2004. Poverty rate of senior citizens is 14%. The poverty rate of unattached Canadians is 37.6%. Moreover, children poverty rate in female-led households is very high 52.12% (Raphael, 2007: p. 31).

Child poverty in Toronto has reached "epidemic" levels, with 29 per cent of children -almost 149,000-living in low-income families, according to new data being released by a coalition of community activists and social agencies in Toronto. Across the city, almost 40 per cent of the Toronto's 140 neighbourhoods have child poverty rates of 30 per cent or more according to the coalition's analysis of Statistics Canada recently released 2012 tax filer data. Moreover, neighbourhood disparity varies dramatically from 5 per cent in Leaside, Lawrence Park and the Kingsway neighbourhoods to 60 per cent or more in Regent Park, Moss Park and Thorn cliff Park neighbourhoods, the data shows. Residents of African, Asian, Middle Eastern, Caribbean and Latin American backgrounds are more likely to be living in poverty (Toronto Metro, August 27, 2014). Similarly it is find every rich country is also suffering from poverty and unemployment. Poverty eradication and unemployment issue is a global issue; these problems are not only in poor countries issue. Although Jeffrey Sacks articulates alarming statistics and alarming future poverty situation of poor countries; however, green fiscal macroeconomic policies and green community development micro economic actions are essential both in rich countries and poor countries that are missing in the book. However, Jeffrey's suggestions of six steps at the end of the book for UN Millennium Project to end extreme poverty are applicable to all countries: 1) Identify the package of basic needs, 2) Identify, for each country, the current unmet needs of the population, 3) Calculate the costs of meeting the unmet needs through investments, taking into account future population growth, 4) Calculate the part of the investments that can be financed by the country itself, 5) Calculate the Millennium Development Goals Financing Gap that must be covered by donors and 6) Assess the size of donor contributions relative to donor income. It is important to know whether UN agencies take notes and follow these six steps for their UN Millennium Project to end extreme poverty where applicable.

V.

9 Book Review

The book has eighteen chapters and sixty five sections and sub-sections. The first part of the book (Chapter 1-12) provides poverty situations for the five countries of Malawi, Bangladesh, India, China and Russia, and their ascent and descent on the 'Ladder of Economic Development'. The countries' examples of development

show the reader the pivotal roles that science and technology play in the development process; a progression of development that moves from subsistence agriculture toward light manufacturing and urbanization.

Chapters 13-18 contain analyses of different socio-economic situations, issues and challenges of the world, global policies and the macro policies of different developing countries and their pros and cons for economic development, barriers to socio-economic development, the role of international donor agencies and rich countries and their funding statistics (the commitments of rich countries and their actual fund release statistics). Moreover the chapters talk about the politics of international agencies (World Bank, IMF and other international agencies) and their role in poverty eradication.

These chapters contain many recommendations to address different issues in different countries.

The book contains world maps marked/sketched with different colours to show moderate poverty and extreme poverty, income per capita, low-income, and average annual GDP per capita growth of different countries in the world. The maps show variation in life expectancy around the world, distribution of foreign affiliates in textile and clothing industries, multinational electronics companies around the world. There are some colourful maps on malarial risk by regions and a malaria ecology index of different countries. The book has many pictures of squatters/slums and schools in different countries. Pictures have scenarios of the social and familial life of poor people in squats. These colourful maps and pictures visually identify different socio-economic problems/issues in different countries around the world.

The first chapter contains bar diagrams on the numbers of extreme poor, the proportion of people living in extreme poverty, the proportion living in moderate poverty and numbers living in moderate poverty in different regions in the world in 1981 and 2001. The poverty areas are divided into regions: East Asia, Eastern Europe and Central Asia, Latin America and Caribbean, Middle East and North Africa, South Asia and Sub-Saharan Africa.

Moreover, the book contains different tables and figures with latest statistics on savings rates in developing countries, corruption and economic growth, foreign direct investment and income. Many tables contain average economic growth in different decades, growth and governance, and urbanization growth rates in 1981-1991. The book includes facts and figures on economic growth and poverty reduction in India. Many figures compare and contrast distribution of employment in China and Russia, economic growth and poverty reduction in China. Moreover, figures contain per capita income in China relative to Western Europe, fertility and economic development. The book has a checklist for making a differential diagnosis based on innovative 'Clinical Economics'.

Many tables and figures relate to state failures and subsequent U.S. military involvement, and the ratio of military expenditure to official development assistance (2002). The book has tables that indicate overseas development budgets for sexually transmitted disease control, including HIV/AIDS in sub-Saharan Africa (1990-1998). The book has tables and figures comparing highest U.S. incomes and African GDP. Moreover, the book has statistics in tabular form on the regional breakdown of annual budget support required from donors to meet the MDGs, by UN agencies, World Bank, IMF, UNESCO, UNICEF, UNDP, UNHCR, ILO, and FAO. The book also includes figures on private and public capital investment in poor countries, the poverty trap and the role of ODA in eliminating it, and the basic mechanics of capital accumulation. Maximum all data, facts, figures and statistics of the book are from secondary sources. There is a chart of details of the Millennium Development Goals (MDGs). These tables, figures, diagrams and checklists assist readers to quickly skim and visually grasp ideas of different issues in different regions and different countries in the world. The tables, figures and diagrams have descriptions in the book too.

Poor people need services in health, nutrition, education, housing, agriculture, security. The poor countries need to develop their transportation and IT infrastructures. Jeffrey Sachs believes economists should engage in holistic analyses of countries, which sounds good. However, Rouf's question is: then what? Too much analysis results in economic plan paralysis. Every country has its own 'Economic Master Plan' and 'Five Year Plan' following Western orthodox economics. These plans are political and serve as eye wash to the public. In addition to this, geopolitics, globalizations, misrule of the rich countries (particularly US and Britain) lead the poor countries to poverty and to be dependent on them. Rouf believes poor countries should challenge the prescriptions of Western donors and develop their countries' economics in context.

The recent and most growing problem in poor countries is the growing number of unhygienic and insecure slums in cities. Criminal activities like rape, prostitution, women and child trafficking, kidnapping, murder, drugs and fighting are going on in slums. Political parties use slum dwellers for political and voting purposes.

Governments, national NGOs and international agencies should look at physical and social infrastructure development of slums.

Jeffrey Sachs finds the post 9/11 US role in the world is one guided especially by a policy of warfare and actions in the name of security measures. The US has increased its budget for its Inland Security. However, it decreases its international development aid budget that it had committed to in the UN Convention of 1949.

In the book, Jeffrey Sachs presents a definition of poverty and identifies different patterns of poverty in different countries. The world's extreme poor, 93 percent in 2001, live in three regions: East Asia, South Asia, and sub-Saharan Africa. He suggests that the eradication of poverty should be strategic to specific situations of poverty instead of using a flat playing field model for all. However, he is unable to provide a specific model for ending poverty.

The book claims that the G-8 countries do not keep their 'Development Aid' commitments of 0.7% of their

Gross National Income (GNP) as funding to developing countries. Although Jeffrey Sachs is an economist, his suggestions to end poverty and enable ascent of the economic development ladder are based on an economic ladder with integrated rungs. He provides both micro-and macro-level examples of innovative projects that contribute to country-specific socio-economic development. Although the book has few macro-economic policy intervention steps, policy is not enough for a country's development. It additionally

10 Global Journal of Management and Business Research

Volume XIV Issue VI Version I Year 2014 ()

11 B

needs actions and advocacy that exert pressure towards releasing funds and implementing macroeconomic policies in developing nations. Although the book's emphasis is on trade investments by rich countries in addition to donations to developing countries to further their development, the book does not narrate how trade investments would appear in trade policy. Nevertheless, he suggests direct foreign assistance should be used for investments in infrastructure and human capital development through public services in health, nutrition, and education, thereby empowering the poor to be more productive on their own account, and putting poor countries on a path of self-sustaining growth.

Jeffrey Sachs is optimistic about ending poverty because he finds half of the world is experiencing economic progress. However, the greatest tragedy in the 21st century is that one sixth of humanity is not even on the development ladder; a large number of the extremely poor are caught in a poverty trap that they are unable to escape from. According to Jeffrey Sachs 'Our Generation's Challenge', which is the title of a section in the book, is to help the poorest of the poor to escape the misery of extreme poverty as part of the process of development. By offering this help to poor countries, all people will have the opportunity to ascend up the ladder of economic development. However, the book neglects to explain how the world employment crisis, including that among youth, and the more grave crises of pollution and environmental degradation can be met through macro-and micro-economic policy and strategy.

Chapter 1 of the book covers eight of the Millennium Development Goals (MDGs). All 191 UN member states unanimously agreed to work for MDGs in 2002 by signing the UN Millennium Declaration; these goals are important targets for cutting poverty in half by the year 2015. Jeffrey Sachs criticizes the applied strategies for MDGs as failures to achieve them. Although the book talks about global poverty and its end, Jeffrey misses the chance to suggest that solutions to achieve MDGs are tied to context; that is to say, they differ according to the countries in which they are applied.

The book's coverage includes different economic theorists like Adam Smith, Angus Madison, Immanuel Kant, John Maynard Keynes, as well as events and concepts such as the French Revolution, Industrial Revolution, British Colonization and the process of economic exploitation of different countries by the colonizers. However, the book does not have a new theory or a new framework of development for eradication of poverty; rather it provides an aggregation of a variety of statistics. These alarming statistics, facts and figures generate consensus among readers, academicians, researchers, donors and policy makers about poverty and its consequences. Now-a-days advocacy and movements like the occupy movement are important and powerful for putting pressure on formal agencies/governments to achieve targeted socio-economic demands. There are many national and international advocacy agencies advocating for and working to fulfill people's rights, demanding justice and government commitments to solve the issues. However, Jeffrey Sachs does not mention or suggest advocacy by occupy movements for the fulfilling of demands on various issues. For example, advocacy can put pressure to G-8 countries, the World Bank and IMF for increasing their funding and investments to developing countries for the poverty eradication programs and services. The book does not mention this important advocacy/ occupy movement strategy for fulfilling public issues and demands.

Jeffrey Sachs believes in 'Growth of Household Income per Capita'. This growth can increase in at least four ways: saving, trade, technology, and resource boom. According to him, reduction in household incomes results from lack of saving, absence of trade, and technological reversal. However, the key problem for the poorest countries is the poverty trap itself. When poverty is very extreme the poor do not have the ability to get out of the mess by themselves.

Jeffrey Sachs concludes that when people are poor, but not utterly destitute, they may be able to save financially. However, the garment factories are helping to change the idea of women in society, as women send back remittances to their families and the families are able to diversify their rural agriculture base with urban industry as well. The garment sector is fuelling Bangladesh's economic growth of 5% each year (Sachs, 2005: p. 13).

The book mentions the key problem for the poorest countries is that poverty itself can be a trap ??Sachs (2005: p. 71). This is because when poor people are utterly destitute they need their entire income just to survive. Moreover, he mentions that other factors like physical geography, geopolitics, government failures, cultural barriers, and lack of innovation are causes of poverty. Contributing to poverty are the fiscal trap (lack of the financial means to provide public goods as the most people possible are impoverished, and can't be taxed,

or the government may be corrupt and unable to collect tax revenue, or the government may be carrying a lot of debt), and the demographic trap (where poor families continue to have many children).

Jeffrey Sachs claims that poverty was seen in a simpleminded way by the rich countries, which is wrong. For example, the rich countries told the poor countries: "Poverty is your own fault. Be like us be-free-market oriented, entrepreneurial, fiscally responsible) and you too, can enjoy the riches of private-sector led economic development" (Sachs, 2005: p. 81).

The IMF-World Bank programs of the structural adjustment era were designed to address not poverty, rather to address the four maladies assumed to be economic ills: poor governance, excessive government intervention in the markets, excessive government spending, and too much state ownership. However, Jeffrey Sachs does not tell about a people-centered public financing approach that could be an alternative to the IMF and World Bank for addressing the issue of poverty in poor countries. Brazil, Russia, India, China and South Africa together make an international bank called BRICS Bank. The BRICS Bank could finance development projects in poor countries without red tape.

Currently rich countries are preoccupied with addressing the issue of terrorism after 9/11. In regards to this issue, Jeffrey Sachs (2005) rightly mentions, "It would be a huge mistake to direct all our energies, efforts, resources, and lives to the fight against terrorism while leaving vast and even greater challenges aside (p. 214). The rich countries are revenges for three thousands died New York in 9/11. However no body seriously think to the issues of ten thousand Africans die needlessly and tragically every single day -and many have died every single day since September 11 of AIDS, TB and malaria" (p.215). Rich countries, particularly the U.S., are focused on their terrorism agenda. Hence they spend billions of dollars to fight against terrorism. For example, "The war in Iraq began on March 20, 2003?The costs of that misadventure have been huge -at least \$130 billion or so in direct military outlays in the first eighteen months?" (Ibid, p. 221). It is kind to the perpetrators to call an attack on another country a misadventure, especially 1 that directly results in thousands of people dying and indirectly hundreds of thousands (possibly a million). Even if the intention was good or without malice, in an impartial court it would be judged at least as criminal negligence. Many would call it a major crime.

The book rightly raises the point that 'good investments should come in packages' to reduce the child mortality rate, and it proceeds to develop his six types of capital. The six types of capital are: (1) business capital (machines, facilities, transport, industry); (2) human capital (health, nutrition, skills); (3) physical and social infrastructure capital; (4) natural capital (land good for farming, biodiversity); (5) knowledge capital (science and technology); and (6) public institutional capital (commercial law, justice system, peace). However, missing here are strategies to implement these types of capital by rich and poor countries in order to address the issue of poverty.

Chapter 15 of the book has a section called 'The Package of Basic Needs'. Here Jeffrey Sachs specifically talks primarily about education for all children, nutrition programs for all vulnerable populations and costs of providing them. The book emphasizes designated target ratios of pupils to teachers, access to safe drinking water and sanitation.

Here the book illustrates MDG projects in the five developing countries of Bangladesh, Cambodia, Ghana, Tanzania, and Uganda and calculates the costs of scaling up infrastructure and social services by the year 2015 as having a price tag of roughly \$100 per person per year during the period of 2005 to 2015 ??Sachs, 2005: p. 295). He thinks that, of the \$110 per person per year, households will be able to pay around \$10 per person per year, whereas the government could pay \$35/year and \$65 would be for donors to finance. However, the problem here is that in 2002, for example, only \$12 billion out of the \$43 billion in development assistance provided by rich countries went to lowincome countries in a form that helped support the package of basic needs. In other words, the problem is that rich countries do not fulfill their commitments.

The book has a section called 'Investing in Technological Capacity' in Chapter 13. Here Jeffrey Sachs mentions, "Indeed, rapid economic development requires that technical capacity suffuse the entire society, from the bottom up" (p.257). He believes that, as a result, large numbers of people need to be educated in specific ways that will address the tasks at hand. However, he does not mention mass education and mass literacy services, non-formal adult learning and global citizenship education, which are very important for a poverty eradication strategy. This important education component of development is an oversight of the book and needs to be included. However, the book rightly mentions that ending poverty requires assistance and effort from both the rich and the poor; the poor need to spend more of the resources on poverty reduction and the rich need to follow through on their promises to give more help to poor countries.

The book also mentions implementation strategies for donor plans. Development of a public management strategy is crucial for governance of resources and donor funds. Jeffrey suggests six components of a strategy for implementing public management services/projects: (1) Decentralization-investments are needed in hundreds of thousands of villages and cities, therefore the details need to be decided at the ground-level rather than in Washington;

(2) appropriate training for public budget management;

(3) provide training on information technologies; (4) there is a need to increase the amount of information transmitted in the public sector and to make it accessible to all parties; (5) identify measurable benchmarks; (6) develop public auditing systems and design monitoring and evaluation devices or schemes. These are ideal tips for implementing donor plans. However, donors can get ideas and overcome challenges, if the book provides

mean ways of creating or implementing or devising donor plans and implementations of plans with examples using Jeffrey Sachs's tips.

At the end of the book Jeffrey Sachs suggests several strategies and policies for poverty reduction in poor countries. His emphasis is on regional infrastructure development like African Union, and African Peer Review Mechanism (APRM). However, for regional infrastructure development, regions need regional policies, location-specific strategies and funding for poverty reduction. Poverty reduction approaches are not one size fits all that applies to all. For example, poor countries have needs to be addressed at the global level such as the issue of the debt crisis; they need global trade policy, appropriate science and clean technology for their development and environmental stewardship.

Chapter 16 of the book tells of nine myths. Jeffrey Sachs describes these myths as development mistakes, falsehoods, propaganda, and false beliefs about developing countries' resources and their utilization and governance. The myths act as negative propaganda on problems of different socio-economic, cultural, and environmental plans and programs by rich countries and international agencies. The myths are: (1) aid given to poor countries is wasted aid; (2) corruption is the culprit (in Africa there is poor governance); (3) there is absence of democracy and lack of modern values; (4) the need for economic freedom means that markets should rule every aspect of the economy, not just the productive sectors; (5) aid is dangerous; (6) all that is needed is the will to liberalize and privatize; (7) HIV crisis in Africa is due to a shortage of morals; (8) helping the poor will only lead to a population explosion; (9) the remaining problems of extreme poverty will take care of themselves because economic development will spread everywhere, and real life is competition and struggle for survival of the fittest, or social Darwinism.

For context regarding the first myth, Jeffrey Sachs (2005) debates that in 2002, the U.S. gave \$3/sub-Saharan African, and after administrative costs this amounted to 6 cents, then they complained they have "nothing to show for it" (Ibid, p. 310). However, in reality it was of little use because they gave very little money. Virtually every society that was once poor has been derided for being lazy until its citizens became productive by their superior character. For example, according to the foreign press Japan in the 1870s was unable to achieve wealth (Ibid, p. 316), but now they are among the richest nations in the world.

Jeffrey thinks these myths are not universally true everywhere. He provides the actual flip-side of the situation or the motives for these portraits of misinformation sketched by donor countries and funding agencies. For example, he mentions that people think the HIV crisis in Africa is due to a shortage of morals. Studies show African men do not have more sexual partners than men in Thailand and Rio de Janeiro.

In the Rio Summit on 'Sustainable Development' in 1992, the world leaders committed to reach the accepted UN target of 0.7 per cent of Gross National Product (GNP) assigned to international development assistance. The UN Marshall Plan had the U.S. commitment to carry on in other development programs in Asia and Latin America. Sachs (2005) mentions, "Over time, that effort has evaporated; U.S. aid fell from more than 2 percent of GNP during the heyday of the Marshall Plan to less than 0.2 percent of GNP today" (p.217).

Jeffrey Sachs in his book 'The End of Poverty' (2005) places emphasis on private capital investment in poor countries to rejuvenate their economy and to address their unemployment issues instead of resorting to warfare. In the case of emerging markets in poor countries, he says, "private capital can fuel a great deal of development" (p.217). Moreover, he urges the current generation to adopt a vision of advanced enlightenment (Ibid, p. 351) and to foster political systems that promote human well-being based on the consent of the governed. He believes that, to help the spread of economic systems, it is necessary to spread the benefits of science, technology, and the division of labour in all parts of the world. Therefore it is necessary to foster international cooperation in order to secure peace and development in the world.

Almost all scholars are positioned against globalization, but Jeffrey Sachs' position is different. His position is "The anti-globalization movement should mobilize its vast commitment and moral force into a proglobalization movement on behalf of a globalization so that pro-globalization can address the needs of the poorest of the poor; support the global environment and the spread of democracy in poor countries" (p. 259). However, globalization destroys local initiatives, local living economics and community development activities. Instead globalization liberalizes the global trade, consumerism and capitalism that benefit more to rich countries.

More the paper would also argue that the antiglobalization movement is not against globalization in general, but opposes those forms of it such as the W.T.O., N.A.F.T.A., etc. that are designed to benefit and maximize profits of investors and corporations (including provisions for government assistance like tax shelters and relief, financial bail-outs and give-aways, and changing laws to accommodate private ownership or control of public assets) while requiring workers to bear the costs of production and compete against each other in a free-market of global labour.

Jeffrey Sachs (2005) requests that world leaders, donors and other national and international agencies take up the challenge for ending global poverty. His last urgings in this regard are: Commit to ending poverty, adopt a plan of action, raise the voice of the poor, redeem the role of the United States in the World, rescue the IMF and the World Bank (they have been misused as creditor-run agencies rather than international institutions representing all of the 182 member governments), strengthen the United Nations, harness Global Science, promote sustainable development and make a personal commitment. The World Bank and IMF are bureaucratic red-tape organizations. Hence it is necessary to overhaul these organizations to turn them into ones that are peoplecentered organizations in the world.

Jeffrey Sachs (2005) points out eight actions and strategies that are needed to keep the commitment made by the U.S. to assist international development:

(1) provide resources to aid countries that have met the challenge of national reform; (2) President George Bush Junior believes poverty does not cause terrorism and being poor does not make people murders. However, Bush mentions in his speech at the International Conference on Financing for Development in Monterrey Mexico "When governments fail to meet the most basic needs of their people; these failed states can become havens for terror. For example, in Afghanistan, persistent poverty and war and chaos created conditions that allowed a terrorist regime to seize power" (in Sachs, 2005: pp. 218-219.)

The book is critical of Global Trade Policy. Sustained economic growth requires poor countries to increase their exports to rich countries and then earn money to import goods from rich countries. As the rich countries are powerful in trade and commerce, they impose their trade policies on poor countries. Hence the paper question: is it possible to reinvent present global trade policy to free poor countries from influence and trade exploitation by rich countries?

It is necessary to prioritize scientific research to focus on identifying diseases, find out the needs of the poor, and mobilize donor assistance. To address these issues, the UN Millennium Project recommends global donor support of \$7 billion per year to address priority research and development needs. World leaders and donor agencies should align funding with poverty research and development ??Sachs (2005: p. 283). Jeffrey raises the issue, but he does not reveal how lifethreatening-disease-eradicating public health funding strategies can be placed to UN agencies so that the UN could mobilize these funds from rich countries and release funds to needy countries for public health research and development.

The book has a section called 'Environmental Stewardship' in Chapter 14. Here it raises environmental issues and dangers that threaten human existence. Jeffrey Sachs (2005) alerts us to rising ocean levels resulting from global warming. Global warming has disastrous effects on coastal ecosystems and coastal economies. The poorest are the most innocent victims in a process that is disproportionately caused by rich countries. In these situations rich countries, particularly the United States, will have to live up to their longstanding commitment on the 'United Nations Framework Convention on Climate Change' to the "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system" (p. 284). To address this issue, rich countries need to give financial assistance to and invest more in poor countries to enable them to respond to climate change that affects the poor.

Jeffrey Sachs is critical of the 'International System of Development'. He thinks, "The current system is surprisingly dysfunctional to the point where the IMF and the World Bank sometimes hardly speak with the UN agencies, even though they all depend on one another" (p. 285). All of the agencies are highly specialized in their areas. The table on page 286 describes different UN agencies and their roles in development. The IMF and the World Bank have a privileged position in UN agencies. However, the problem is each does not benefit from its interactions with the others.

In Chapter 15, Jeffrey Sachs talks about 'Can the Rich Afford to Help the Poor'. Here he again narrates that the rich can eliminate extreme poverty by committing 0.7 percent of the gross national product of the high income world; a mere \$10 in income; a very small effort is required from DCs. Jeffrey describes five reasons why the level of required effort is modest: 1) the numbers of extreme poor have declined to a small proportion of the world's population; 2) the goal is to end extreme poverty, not all poverty; 3) success in ending the poverty trap will be much easier than it appears; 4) the rich world today is so vastly rich; 5) current technologies and tools are more powerful than ever, with mobile phones and the Internet ending an information famine around the world. Hence, he suggests that, except for humanitarian crises, direct cash transfers are not recommended for development assistance. Jeffrey Sachs (2005) thinks cash doesn't usually alleviate poverty. Instead, direct foreign assistance could be used for investments to infrastructure and human capital development, thereby empowering the poor to be more productive on their own account, and putting them on a path to selfsustaining growth.

12 Conclusion

The book mainly focuses on reforming international agencies and the international development policies of G-8 countries, as well as their international funding strategies and actions. Although Jeffrey Sachs is from the U.S., he is critical of the U.S. role in international development and the realization of funding to developing countries. The book mainly focuses on the poverty of developing countries. However, poverty also exists in rich countries, and the book misses the opportunity to narrate poverty situations and the means for poverty eradication in rich countries. For example, according to U.S. Census figures, 36 million persons lived in poverty ??2005). 20.4 million of the nation's 36 million poor persons are women and 13 million of these women are in what the US Census Bureau has accepted as 'deep poverty'. 9.8 million are single mothers who are by far the poorest group with 38 percent living below the poverty line. This compares to 11 percent of all Americans who live below the poverty threshold. Among these poor persons, 8.7 million are first-generation immigrants and their family members. Roughly one in four poor persons is an immigrant or member of an immigrant's family. Half of the poor immigrant population is female. Moreover, three million undocumented women are living in United States (Grameen America Project Paper, 2008). However, these women form much of the back-bone of the economy of the U.S.A., providing care for children, and nursing services for aging parents. They clean houses, prepare food

in restaurants and pick up food that people eat at breakfast (Jewish Council for Public Affairs, 2007). Similarly Canada has poverty, the rate of which is even higher than in the U.S.A.

The Canadian economy is growing; however, according to Statistics Canada 2006, the overall poverty rate was 15.5% in Canada in 2004. The poverty rate for children increased from 16.25% in 1984 to 17.7% in 2004. The poverty rate of senior citizens is 14%. The poverty rate of unattached Canadians is 37.6%. Moreover, the poverty rate for children in female-led households is very high at 52.12% (Raphael, 2007: Similarly, it is found that every rich country is suffering from poverty and unemployment. Therefore, poverty eradication and unemployment are global issues, and not only for poor countries. Jeffrey Sachs articulates alarming statistics and alarming future poverty situations of poor countries. However, missing in the book are treatments of green fiscal macro-economic policies and green community micro-economic development actions, both of which are essential in rich and poor countries. However, Jeffrey's suggestions of six steps at the end of the book for the UN Millennium Project to end extreme poverty are applicable to all countries: 1) identify the package of basic needs; 2) identify, for each country, the current unmet needs of the population; 3) calculate the costs of meeting the unmet needs through investments, taking into account future population growth; 4) calculate the part of the investments that can be financed by the country itself; 5) calculate the Millennium Development Goals Financing Gap that must be covered by donors; and 6) assess the size of donor contributions relative to donor income. It is important to know whether UN agencies take note of and follow these six steps for their UN Millennium Project to end extreme poverty where applicable.

Information Technology (IT) makes a huge contribution to world development, especially in rich countries. However, poor countries use less IT and technology. As a result poor countries get fewer benefits from them. Hence there are needs for use of more IT in poor countries. Rich countries can help poor countries in this regard.

Rouf strongly advocates for participatory democracy, citizenship learning, cultural coherence learning and religious tolerance in poor countries. These are necessary for their economic and political stability and peace. However, the book misses the political development point, which is necessary for economic stability of a country. Every citizen has a right to practice their faith. Poor countries should realize it and ensure the rights of citizens to political, economic, religious, and cultural freedoms, and the right of access to knowledge. Countries should avoid religious chaos, political turmoil, cultural conflict and ethnic havoc to develop harmonious relationships among all faith believers, ethnic/racial groups and political parties. They should avoid antagonistic behaviour and influence over each other for capturing power, staying in power, and exploiting and antagonizing others. Participatory democratic processes and practices at the micro-and macro-level could develop political harmony and tolerance among the citizens of a country. In conclusion, Rouf finds the book definitely raises many issues that are valuable for further ¹



Figure 1:

¹© 2014 Global Journals Inc. (US)

Moreover, the book contains different tables and figures with latest statistics on savings rates in developing countries, corruption and economic growth, foreign direct investment and income. Many tables contain average economic growth in different decades, growth and governance, and urbanization growth rates in 1981-1991. The book includes facts and figures on economic growth and poverty reduction in India. Many figures compare and contrast distribution of employment in China and Russia, economic growth and poverty reduction in China. Moreover, figures contain per capita income in China relative to Western Europe, fertility and economic development. The book has a checklist for making a differential diagnosis of innovative 'Clinical Economics'.

Figure 2:

941 infrastructure and physical infrastructure development of poor countries.

942 [Transparency International ()] , *Transparency International* 2004.

943 [Global Corruption Report ()] , *Global Corruption Report* 2004. Pluto Press.

944 [Grameen America Project Document ()] , *Grameen America Project Document* 2008.

945 [Metro (2014)] *Child Poverty in Toronto*, Toronto Metro . 2014. August 27, 2014.

946 [Confronting poverty civility ()] *Confronting poverty civility*, 2007. New York: Jewish Council for Public Affairs

947 Press.

948 [Attaran and Sachs ()] ‘Defining and redefining international donor support for combating the Aids Pandemic’.

949 Amir Attaran , Jeffrey D Sachs . *The Lancet* 2001. 357.

950 [Grameen America: Bankers to the unbankable Arkansas: Elgin] ‘Grameen America: Bankers to the unbank-

951 able’. *Arkansas: Elgin*

952 [Investing in Development: A practical plan to achieve the Millennium Development Goals. Report to the UN Secretary General.

953 *Investing in Development: A practical plan to achieve the Millennium Development Goals. Report to the UN*

954 *Secretary General. London: earth scan*, 2005. 2005.

955 [Raphael ()] *Poverty and policy in Canada*, D Raphael . 2007. Toronto: Canadian Scholar’s Press Inc.

956 [Sachs ()] *The End of Poverty: Economic possibilities for our time*, J Sachs . 2005. New York: The Penguin

957 Press.

958 [Bank ()] *World Development Indicators*, World Bank . 2004. Washington, D.C.