

The End of Poverty: Economic Possibilities of Our Time

In *The End of Poverty: Economic Possibilities of Our Time*, economist Jeremy Sachs presents his argument for the complete elimination of global “poverty.” Specifically poverty as defined by the World Bank which is defined as less than one dollar of income per day. To many the task of 100% poverty elimination seems too great to even think about, however Sachs believes that this task can be completed by 2025 through carefully planned and executed development aid.

The book is divided into four primary sections. The first section is an introduction to poverty and explains the different stages or levels of development. Sachs discusses demographic transition and strongly believes in the transmission of technology as a key to development and as a result the long term goal of ending poverty. The second section of the book is focused on the growing gap between developing and developed countries in our modern world. One of the major factors he attributes to uneven development is physical geography, something beyond the control of countries. Many countries, he states, are at a severe disadvantage to development strictly because of hindering geographic factors such as desertification and inaccessible terrain. The most significant geographic factors are those that affect transportation costs. High transportation costs affect every part of a society's economic structure. Increased cost of trade results in difficulty trading, increased import cost, lost revenue on exports, and increased rate of inflation.

In section 3 Sachs introduces “clinical economics” as the remedy for economic aid to individual countries. He explains clinical economics as an analogy to medicine. Economists looking to help the developing world should “learn from physicians on how to ask the detailed questions for each patient (country) and apply strategies that alleviate the specific symptoms (of that patient).” He strongly criticizes that standard economic approach used by the International Monetary Fund as an umbrella “one-size-fits-all” strategy. A strategy that does not address the complex and unique economic difficulties each country is facing and often hurts the country more than they help.

In the fourth and final section of the book Sachs focuses on the United Nations’ Millennium Development Goals (MDGs) as a good first step toward the end of poverty. From 2002 to 2005 Sachs was the chairman of the United Nations Millennium Project which worked to set up the organization necessary to achieve the MDGs. Immediate solutions that Sachs offers include debt cancellation for many of the world’s poorest countries and increased availability of standard medicine to the developing world. He also argues that developmental aid needs to be doubled by the year 2015 if we have any hope of eliminating poverty. This is more than feasible he argues as it accounts for only 0.7% of the combined GNP of first world countries. Increased aid combined with a more clinical approach to economic aid is Sachs’ solution and although aggressive, feasible solution the problem of poverty. To pull these countries out of the never ending circle of poverty aid needs to be set on a country level, not a global level. Only then, he says, will we be able eradicate poverty.