How to halve world poverty

Jeffrey Sachs, director of the Earth Institute at Columbia University, sets out what needs to happen in 2005 to get the UN’s Millennium Development Goals back on track

The new millennium opened with great expectations. When 147 heads of state gathered at the UN Millennium Assembly in 2000 and adopted the Millennium Development Goals (MDGs) to cut extreme poverty by half by 2015, even sceptics felt that something new might be in store. The goals were ambitious but achievable. In essence, the world leaders promised to take actions through trade policy, increased official development assistance (ODA) and technology transfer to extend the benefits of globalisation and new technologies to the world’s poorest people, with quantified targets to be met by 2015. Alas, those hopes have dimmed, and with only ten years left and slow progress thus far, 2005 has become a make-or-break year to get back on course.

The immediate follow up to the Millennium Assembly was promising. Even September 11th 2001 did not seem to push the world off track. Rather, for a fleeting moment it seemed to reinforce America’s commitment to shared prosperity as the way to unite the world against terror and instability. In the Doha Development Agenda agreed upon in November 2001 and the Monterrey Consensus of March 2002, America and the other rich countries confirmed their intention to reshape trade and aid in order to benefit regions which had so far been bypassed by growth, foreign investment, information and communications technology, and expanding trade.

In Monterrey, Mexico, America and other rich countries pledged to “urge developed countries that have not done so to make concrete efforts towards the target of 0.7% of gross national product (GNP) as ODA.” Those of us working in the trenches for Africa, the Andes, Central Asia and other places fraught with extreme poverty knew that 0.7% of donor-country GNP could make the difference. After all, that would represent roughly an extra $125 billion in aid at today’s incomes which, if well invested, could help equip Africa and other destitute regions with the roads, safe drinking water and sanitation, electrification, clinics, schools, malaria bed nets, anti-retroviral medicines, and other urgent and proven investments to get these regions on a path of sustained economic growth. Moreover, with global markets opened as promised at Doha, these impoverished countries could move from subsistence to labour-intensive exports, the reliable first step on the path to economic development.

These hopes have been undermined, if not dashed entirely, by American policies of the intervening years. Successive rounds of tax cuts for the rich in America gave away more than $200 billion a year in budget revenues, swamping the $60 billion a year in additional aid that America should mobilise to achieve 0.7% of GNP in development aid. Worse, the war in Iraq and related spending raised military and security outlays by at least $100 billion a year. Instead of making “concrete efforts” to reach 0.7% of GNP in aid, America gave birth to a new development initiative, the Millennium Challenge Account, funded at around 0.01% of GNP, roughly $1 billion a year, perhaps rising to $5 billion a year, or 0.05% of GNP, by 2006. This tiny increase, by no means assured, would leave America with aid equal to around 0.17% of GNP as of 2006, the lowest ratio of all donor countries in the world.

There is still hope for the MDGs, especially since the target of 0.7% of GNP is so modest. Can the rich world keep dragging its feet over a target it has promised for 35 years? With any serious foreign-policy thinking, the rich countries will finally make good on their commitment.

Indeed, two important leaders, Britain’s Tony Blair and France’s Jacques Chirac, building on a far-thinking plan of Gordon Brown, the British chancellor, have promised exactly that. They have pledged to make 2005 a break-through year, especially at the G8 summit to be hosted by Britain in Scotland in July. To lay the groundwork, Mr Blair appointed a high-level Commission for Africa, which will issue a report in the spring of 2005. It seems clear that the Commission for Africa will concur that greatly increased donor assistance, well spent, is key to helping Africa break out of its poverty trap.

Follow the road map

There is at least a path, therefore, for the world’s development aspirations to be put right in 2005. In January the UN Millennium Project, which I direct, will issue an independent advisory report to the UN secretary-general, Kofi Annan, showing how the MDGs can in fact be met, through a co-ordinated programme of well-governed investments in health, education and infrastructure in poor countries; increased donor assistance from rich countries; and agreement on trade liberalisation in the Doha negotiations. In March Mr Blair’s Commission for Africa will reinforce the message for the world’s toughest development challenge: breaking the poverty trap of sub-Saharan Africa. That should be followed by a successful G8 summit in July, in which the rich countries commit to at least doubling ODA in 2005-15, reaching nothing less than 0.5% of GNP by 2010 on the way to 0.7% by 2015.

This would provide the backdrop for world leaders at the UN General Assembly in September 2005 to review progress on the Millennium Declaration. They would commit to a series of specific actions to lay the foundation for a decade of rapid growth and social improvements in the most impoverished places on the planet. It might sound like a long shot, but in a world desperate for hope, might it not be the time to make this a reality?