World Business Academy

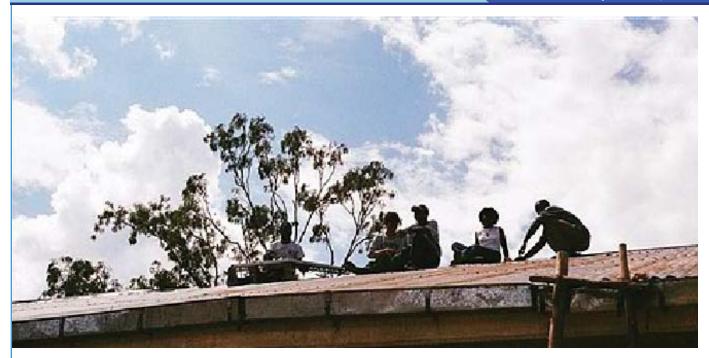


Global Reconstruction

Volume 19 Issue 7

Rekindling the Human Spirit in Business

September 1, 2005



The End of Poverty Reflections on the Jeffrey Sachs Book

by Bishop Alden M. Hathaway, (Ret.)

Editor's Note: Jeffrey Sachs's highly influential book <u>The End of Poverty</u> has become something of a template for those who would reverse decades of Western indifference and inadequate support to assisting developing nations.

After he retired from his post as Episcopal Bishop of Pittsburgh, PA (USA) in 1997, Alden Hathaway launched a program called Solar Light for Africa, to bring solar generated electricity to remote African villages. He has gained a valuable perspective on the most efficacious ways to support people in developing nations. While agreeing with many of Sachs's premises, he disagrees in two fundamental ways: he believes that the provision of electrical power, particularly to schools and hospitals, is the foundational key to all further development; also, large central electrical projects, of the sort advocated by Sachs, are doomed to fail.

Bono, Jeffrey Sachs, Tony Blair, rock bands, finance ministers, and aid agencies have been vowing to 'make poverty history, in Africa.

o wrote William Easterly in *The New York Times* the Sunday before the G8 Conference in Scotland last July.

I know something about the challenge of poverty in Africa. Seven years ago we started a mission to bring solar light and power to rural communities of the 'dark continent.'

'Solar Light for Africa' is a 50/50 plan to equip homes and schools, clinics and hospitals with renewable energy. Charitable gifts and grants raised in the United States account for one half the cost of these installations. Receivers pay the other half. Uganda Banks finance their payments over two years with securitization from the Anglican and Roman Catholic churches of Uganda. The new illumination just about equals the cost of the kerosene. Now, clean, dependable light powered by the inexhaustible energy of the sun replaces dim, dirty, and dangerous firelights.

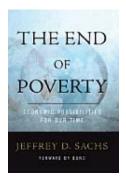
We are what Easterly calls a 'piecemeal alternative', a small initiative in contrast to the comprehensive, macroeconomic plan for all of Africa that the G8 Conference is proposing.

That mega-plan is part of a popular movement which Bono and the rock bands and finance ministers are advocating: a movement that began with the UN Millennium Development Goals of 2002. Now gathering momentum, it envisions the abolition of world poverty in our lifetime. Jeffrey Sachs, one of *Time* magazine's '100 Most Influential People', has become its guru. His book *The End of Poverty* is the intellectual rationale and practical blueprint for its accomplishment.

Unless you are an economist, reading a book about the dismal science is a real drag: all numbers and graphs and percentages and inscrutable acronyms. Sachs's book contains all that, but he clearly presents his argument in such a way as to excite even an economically challenged layperson. It's no Tom Clancy thriller, but he uses a similar technique to interweave highly technical information with an unfolding narrative.

Solar Light for Africa is all about the little picture, about making a difference in the material betterment of poor people in remote villages. Sachs has contributed an understanding of the big picture and the large economic realities that either limit or liberate the destinies of those people and their societies. How important this understanding is, if we are to make a difference!

The End of Poverty is a serious clearly reasoned proposal for the eradication of "extreme poverty," those conditions that entrap people in material destitution of such severity that they lack the most basic means simply to live. Extreme poverty nullifies all hope of any kind of economic development. The book lays out a challenge for accomplishing this remarkable worldwide goal by the year 2025.



But is it doable?

From 25 years' experience working with a broad range of world leaders and institutions, by detailed economic analysis with the numbers to support it, with anecdotal evidence from countries as diverse as Bolivia, Poland, and India, Sachs lays out the plan for realizing the eradication of extreme poverty.

He describes basic steps to economic success by which all societies may achieve prosperity. It is an impressive and credible argument. What is essential to his approach is a 'clinical' method by which the specific economic illness of individual countries may be diagnosed and effective remedies prescribed.

In the clearest of terms Sachs points out that the poorest of the poor nations simply cannot pull themselves up by their own bootstraps. They are locked in a vicious economic struggle for survival. The key to their relief is aid in massive amounts, the financial assistance that will lift desperately poor countries to the first rung of the ladder of economic development.

All it will take is for the rich nations of the world to dedicate but 0.7% of their GDP (Gross Domestic Product) to ODA (Official Development Assistance).

This represents the pledge to which the United States, along with other signatories, agreed at the Monterrey, Mexico international conference in March 2002. Those nations dedicated seventy cents of every one hundred dolloars of their own Gross Domestic Product for Official Development Assistance to poverty-bound countries -- a pledge that America has yet to honor.

For Jeffrey Sachs the main issue is the political will within the rich nations to rise to the challenge. With an evangelical zeal he counsels, persuades, preaches, hassles, and harangues for an Enlightened Globalization. Enlightenment equates to the realization that we are inextricably involved with the fortunes of the poor nations of the world. We benefit by their developing prosperity., Their intractable poverty pulls us down.

Especially in Africa.

For Jeffrey Sachs the main issue is the political will within the rich nations to rise to the challenge.



From our experience with Solar Lights, primarily in Uganda, but also Tanzania, and Rwanda, I would offer two critiques.

The first involves electricity. Sachs acknowledges its importance, but only in passing. Studies have shown that the single most significant intervention in community development is the provision of a dependable, affordable electric service. It is fundamental.

The Western model for electrical supply is too remote from the reality of East Africa, and too expensive to provide help to the rural poor.

Less than four percent of the population of Uganda has access to reliable electric power.

For Uganda, as for all modern societies, electricity is the resource that drives development. Without it, the mundane burdens of raw physical survival enslave people.; Without power communities stagnate, bereft of technical imagination and hope of material betterment. Unelectrified, nations cannot gain membership in the wider global enterprise of trade and prosperity.

It is essential that economic growth spread equally across the whole a country with all areas prospering together. Electricity must be available and affordable to the whole population both urban and rural. This is what happened with America; the electrification of every hamlet and farmstead spread development over the whole of our land and made us strong.

The Western model for electrical supply (centralized generation from hydrofossil fuels depending on a vast distribution infrastructure) is too remote from the reality of East Africa and too expensive to provide help to the rural poor.

Solar is the answer. It generates the amount of power needed, and it does so on-site. It is a grid-independent technology and, like the cell phone revolution of the last two years, solar is a light infrastructure that can be built quickly anywhere.

Our mission is to advocate solar's feasibility by putting installations on the ground in local context to demonstrate the difference it makes to the lives of actual people and real communities. This is what Easterly calls a "piecemeal alternative."

Sachs rightly emphasizes the great problem of disease in the development of sub-Saharan Africa: AIDS, malaria and the many maladies that afflict the populations of these countries. Sick people cannot help themselves, let alone build a strong society.

Sachs emphasizes the need for the advanced drugs and modern medical practices that we take for granted in the West. That is vital, but people in rural Africa are so compromised physically by the lack of safe water and the most fundamental health care that they die before these interventions can do them any good.

Solar Light for Africa is targeting rural clinics and regional hospitals, providing them with electric power to support the most basic medical service, together with the pumping and purification of a safe dependable supply of water. The marriage of solar power and basic health care is the single most effective intervention in the combat of disease at the local level.

The second critique is more significant.

Though Sachs notes the importance of good governance and the suppression of corruption and graft in the public administration of client countries, he gives short shrift to the role of religion and religious institutions in the shaping of a populace trained in civic virtues, proficient in technical and financial skills, disposed to personal integrity, and dedicated to community responsibility.

Africa's greatest need is for peace. The populace of every nation must expect domestic tranquility and national security.

Without peace, there is no economic development. With it Africa's peoples are liberated from the blight of fear and the ravages of hostility. They then may turn their efforts to the ordering of their societies, to the production of necessary material goods and services, to attracting the trust of foreign investment. They are then able to develop advanced education and enjoyment of the high arts and letters which ennoble the human spirit and bestow a vision of prosperity - and, most important, the incentive of hope.

Solar Light for Africa works through the agency of the Christian Church: Anglican, Roman Catholic, and Lutheran. In East Africa the churches are the most effective and influential institutions. The Church is on the ground with the local people. It has suffered with them. Through wars and oppression, famine and disease it has provided security, care and hope. The Church has been the teacher of civic virtue and advocate of a democratic, entrepreneurial society.

The Church, being a global communion, links spiritual communities in both the rich and the poor countries in personal relationships of mutual awareness and concern, compassion, and action. It plants the seeds of an international, popular 'political will' to support the macroeconomic vision of the Millennium Development Goals on the way to "The End of Poverty" by 2025.

Two anecdotes from our experience in East Africa:

Charles and Rebecca, an Anglican priest and his wife, live in the district of Mpigi in south central Uganda. We inspected the four light solar system installed in their little house the summer of 1998.

Rebecca had insisted that one of the lights be in the room where she kept her chickens. Chickens will not eat unless they can see their food. With this one light, Rebecca doubled her egg production. She sold the extra eggs at the market and, with the money she bought other cash crops. The produce which she also sold effectively built a small but profitable plantation.

Their neighbors were curious to see how it was that she was prospering. Charles, being the teacher, organized a little school. It was so popular that it needed a facility and because the students could attend only at night, it needed solar light. In 2002 we returned to make that installation and I was honored to hand out the certificates to the first graduating class of the "Bishop Hathaway School of Adult Education."

The summer of 2001 we journeyed to Lowero for a large celebration at a Roman Catholic school to honor our one thousandth solar installation. It

[The Church] plants the seeds of an international. popular 'political will' to support the macroeconomic vision of the Millennium Development Goals on the way to "The End of Poverty" by 2025.

A business leader... cannot "not decide," for

linked a computer through a satellite dish to the Discovery Channel, providing that rural school access to the global university library.

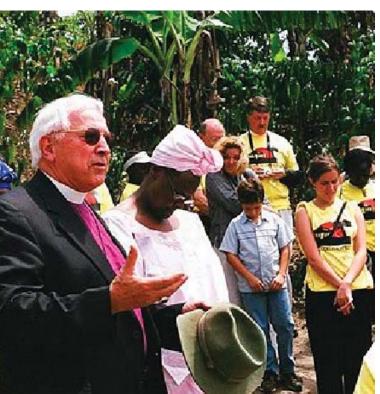
Cannot "not The Catholic bishop addressed the gathering with a story:

"One evening a man was hurrying along the path to get home before dark. Too late. The sun set. The man heard a noise behind him, a "night dancer." Terrified he fell down alongside the path, hands over his head to await the dawn. The noise he heard was made by another man also running to get home before dark, heard the first up ahead, equally terrified got down to wait for morning. When the sun rose, they recognized they were brothers."

The bishop turned to us, "You have brought us the light so that we can see that we are brothers. The light pushes back the shadows of the darkness, dispels the terrors of the night dancers, so that we can be free in our spirits and be productive whatever time, both day and night."

I know Dr. Sachs would appreciate the first story. I wonder if he would enjoy the second.

I believe that he would agree that "The End of Poverty" depends upon both the macroeconomic resolve of the rich nation states and the microeconomic



mentality in the hearts and minds of ordinary men and women, rich nations and poor, their consciences challenged to do what is right, their imaginations moved by a biblical vision of hope.

About the Author: Before his retirement in 1997 as the Sixth Bishop of Pittsburgh, Bishop Hathaway served God and the Episcopal Church in a multitude of ways. Soon after his ordination he attended Ohio Northern University while simultaneously serving as rector of a church in Bellefontaine, Ohio.

During his early years, he established the Mental Heath Clinic in Logan County, Ohio; served on the Michigan State Governor's Conference on Student Leadership and the Advisory Board for Planned Parenthood of Northern Virginia, and was an instructor of Religion & Ethics at Madeira School in Virginia.

Bishop Hathaway with Janet Museveni, Uganda's First Lady

In the midst of controversy surrounding the Vietnam War, he was challenged to heal the divisive wounds of a church in Springfield, Virginia. In the process, he was himself transformed with personal renewal and strengthened in his faith of God and successfully brought about the spiritual transformation of the parish that built a vibrant and productive ministry of witness and outreach.

As Bishop of Pittsburgh, he preached, taught, and challenged a commitment to evangelical renewal of the congregations and a dedication by the diocese to the priority of new church planting. He encouraged the broad vision of a world embracing faith in warm ecumenical fellowship with other Christian bodies and vigorous working relationships with churches in lands beyond U.S. shores.

Bishop Hathaway is a member of the founding Board of the South American Missionary Society and the North American Missionary Society. He established Solar Light for Africa, Ltd. (formerly Solar Light for Churches of Africa) in 1997 and has led seven consecutive Summer Youth Missions to East Africa when American and East African youth live and work together for up to three weeks installing solar units in rural areas of East Africa.

Currently, Bishop Hathaway is Bishop in Residence at St. John's Episcopal Church in Tallahassee, Florida, as well as assistant to the Bishop of Florida. He is a popular speaker and teacher, challenging all who hear him with his theme of World-Class Christianity for Twenty-First Century Mission.

Copyright © 2005, World Business Academy, 428 Bryant Circle, Suite 109, Ojai, CA 93023 Academy Phone 805 640-3713 Fax 805 640-9914 Website www.worldbusiness.org Senior Editor, David Zweig, davidz@worldbusiness.org Phone 510 547-3223