

Book reflection book review

[Technology](#), [Development](#)



In the book “ The end of poverty: Economic Possibilities for Our Time” Jeffrey Sachs explains the yawning gap between the rich world and the poor and what can be done to improve that dreadful situation.

First idea depicts the greatest tragedy of our time – poverty and its dimensions, in which the one-sixth of humanity lives. As the author says, these countries are not even on the development ladder. The comparison of the poverty situation in Malawi, Bangladesh and India makes clear that the world community has so far displayed just too little action. Professor Sachs stresses that globalization under European domination (2005, p. 43) and then the lack of trust to the first world made the nonaligned third world countries lose the opportunity to take benefit from the technological advance.

The second concerns about the gulf between today's rich and poor countries. He claims that this new phenomenon occurred during the period of modern economic growth (p. 28). The transition to modern economic growth involved urbanization, changing gender roles, increased social mobility, changing family structure and increasing specialization. According to Sachs, Britain's industrial breakthrough in the early nineteenth century was created by a rational combination of social, political, and geographical factors (p. 35). The key for the United States to become the world's richest major economy was not spectacularly fast growth, but consistency, the fact that the United States maintained stable income growth rate for almost two centuries. The answer to the question why prosperity spread, and why it continues to spread, is the transmission of technologies and the ideas underlying them. Thirdly, author defines eight major categories of problems that can cause the

economy to stagnate or decline (p. 56). The poorest of the poor are most prone to become trapped with low or negative economic growth rates, physical geography, governments are critical to investing in public goods and services governance failure, cultural environment as obstacle, trade in geopolitical reasoning, tendency to innovate and demographic transition. Lastly, Sachs's recipe for getting on the ladder of development consists of four ingredients: the saving that lead to capital accumulation, trade, technology and greater natural resources per person.

Regarding the analysis of poverty causes, I would like to highlight two ideas that should be taken into account. First corresponds to the problem that poverty in a particular country and the whole world goes far beyond purely economic issues. It is an integral part of the development and fundamental challenges faced by humanity and appeared in the context of globalization. It is about saving the environment, prevention from nuclear war, the resolution of ethnic and religious conflicts, improving the quality of life and development of human creativity. The adequate respond to these challenges lies within " globalization with a human face". Inasmuch as the global development does consist of social, moral and ethical component based on the principles of cooperation and mutual assistance for the benefit of all humankind.

The second one is about the question of " how to solve the problem of poverty", which worries economists all around the world. The responsibility and participation in the decision-making process of aid granting should be equally divided between the donor and the recipient. Only that may solve the problem of poverty in the world, or at least improve the situation.

I fully agree with Professor Sachs that lessons of economic and life improvement are available to all of humanity, not just for the first who discovered them. Everybody can benefit from this kind of the economic game. Therefore, there is no need for the rich countries to overflow the poorest countries with aid; it is enough to invest reasonably, so that these countries can get their foot on the ladder of development.

References

Sachs, Jeffrey (2005). *The end of poverty: Economic Possibilities for Our Time*. New York: The Penguin Press.