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The Hijacking of the Development Debate

How Friedman and Sachs Got It Wrong

Robin Broad and John Cavanagh

Thomas Friedman and Jeffrey Sachs—articulate, learned globetrotting pundits—would seem an unlikely duo to hijack the development debate. Yet, through their best-selling books—Friedman's *The World Is Flat* and Sachs's *The End of Poverty*—their prominent exposure in the U.S. media, and endorsements by celebrities like Bono, the superstar lead singer of the rock group U2, they have done precisely that.[1] Just a half decade after protests by citizen groups in Latin America and elsewhere discredited two decades of market-oriented neoliberal dogma, Friedman and Sachs have narrowed the debate with simplistic slogans of "more aid" and "more trade." They have done so by putting forward myths about the poor, economic development, and the global economy.

In many ways, Friedman and Sachs are leading us backward to the era that began with the ascendancy of Ronald Reagan, Margaret Thatcher, and Helmut Kohl in the early 1980s. Those "free market" icons ushered in almost two decades of a one-size-fits-all approach to economic growth: privatization, government deregulation, and fewer barriers to trade and financial flows. This approach became known as the Washington Consensus. Market-opening policies were pressed on dozens of poor, indebted nations by the World Bank, the International Monetary Fund (IMF), and the U.S. government. Trade and foreign investment surged, and though many large corporations and consumers benefited, a heavy toll was too often visited on the poor, workers, and the environment. In the late 1990s, a global backlash of citizen protest erupted as the financial crisis of 1997–98 plunged hundreds of millions into poverty in Asia, Russia, and Brazil.

For Americans, this backlash was most visible in the "Battle of Seattle" in December 1999, in which massive demonstrations shut down a World Trade Organization (WTO) ministerial meeting. But this was hardly a localized phenomenon: elsewhere, activists reacted against the growing power of international corporations, which pitted workers, communities, and nations against one another in "a race to the bottom." As corporations spread sweatshops to Mexico, China, Indonesia, and elsewhere, workers demanded that they respect such principles as the right to organize. Environmentalists struggled to maintain hard-won protections in the face of pressure from international investors. Farmers protested against land grabbing by corporate agribusiness. As privatization of basic services shifted wealth from government coffers into the pockets of private investors and increased the cost of water, electricity, and other basic services, citizen groups in Bolivia, Ghana, Uruguay, Argentina, and elsewhere fought off water privatization efforts and successfully replaced privatized systems with various models of public control.[2] Since the election of Hugo Chávez as president of Venezuela in 1998, the electorates in more than a half dozen Latin

American countries have rejected governments that supported the Washington Consensus.

Although no new consensus emerged in the late 1990s, officials in key public and private institutions began to consider alternative approaches to the neoliberal dogma (some important innovations are described below). Following the global financial crisis, the IMF accepted the need for some controls on capital flows. Amid the dislocations wrought by the building of dams and other large infrastructure projects, the World Bank claimed to be reassessing the environmental and social costs of such undertakings. A number of global corporations jumped on the social responsibility bandwagon. Experts at the United Nations Development Program and elsewhere suggested that "human development" and human rights indexes were better gauges of success than crude and aggregated income measures.

However, the steady movement away from the Washington Consensus was interrupted by the 9/11 terrorist attacks on New York and Washington. The Bush administration seized the moment to argue that opening markets was an essential weapon in the "global war on terrorism." In its September 2002 National Security Strategy, the administration cited poverty as one of the root causes of the terrorist impulse. Washington once again began to push open market policies as the best solution to the problem of endemic poverty.

Enter Friedman and Sachs, who reinforced this misguided focus. This may sound like heresy to some readers. After all, Jeffrey Sachs ventured with Bono to remote villages in Africa and brought the plight of the world's poorest to the readers of *Time* magazine.[3] He helped popularize the concept of "ending poverty" and opened space for citizen groups to launch a "global campaign against poverty" that has touched the hearts and pocketbooks of millions in dozens of countries. He also put the poor on the agenda at the G-8 summit in Edinburgh in 2005. Thomas Friedman, in his columns for the *New York Times* and other writings, has painted a picture of high-tech prosperity, a "flat earth" where every individual has an equal chance to get ahead.

One reads their books and sighs with relief: there are in fact straightforward answers to ending poverty and spreading prosperity. As Friedman reassures us: "We know the basic formula for economic success."[4] Unfortunately, this formula rests on dubious "facts" about the poor, about technology and the "development ladder," about aid, about trade and open markets and, perhaps most importantly, about the choices we face. From our own work in the Philippines and other poor nations, and through discussions with scholar/activists Walden Bello and Vandana Shiva, and other members of a poverty working group of the International Forum on Globalization,[5] we believe that Friedman and Sachs, in having accepted certain myths about development, are leading us down the wrong path.

Myth #1: The primary focus should be on extreme poverty, as defined by per capita income of less than a dollar a day, rather than on broader quality-of-life indicators, including the empowerment of the poor.

From his perch at Columbia University's Earth Institute, Jeffrey Sachs has spent a great deal of time attempting to measure poverty. By his estimates (he borrows heavily on data from the World Bank and the United Nations), roughly a sixth of humanity (1.1 billion) are "extremely poor," eking out a bare existence on less than a dollar a day. Another 1.5 billion are "moderately poor," subsisting on $1 to $2 a day. And another billion are "relatively poor," earning less than what economists suggest is necessary to meet their basic needs. Sachs challenges us to end extreme poverty by 2025; the United Nations, which he advises, seeks to halve it by 2015 as part of its Millennium Development Goals. These goals are not only morally right, says Sachs, they are achievable. We can take heart since the ranks of the extreme poor are already down from 1.5 billion in 1981 to 1.1 billion today.

The problem with these "facts" is that if you eliminate China, India, and other fast-growing Asian nations, the number of "extreme poor" has stayed fairly level during this period, and has grown steadily in Africa.[6] Another major limitation of Sachs's approach, shared by many development agencies and antipoverty crusaders, is that it relies overwhelmingly on poverty measures that appear deceptively precise. The fact that someone lives on less than $2 a day actually tells us very little about that person's real condition. In countries such as South Africa, where government services are generous, $1 a day goes further than in Haiti. Furthermore, as nations grow rapidly, as have China and India over the past decade and a half, the amount of money needed for people in the cash economy to maintain a decent standard of living also rises.[7]

For many of the 1.1 billion who subsist in rural areas on less than $1 a day (over 300 million of whom are indigenous peoples), life changed little for centuries until the last few decades. Most live in rural or fishing communities where they have some control over the natural resources on which they depend for their livelihoods. They consume much of what they produce and barter for some of the rest of what they need. They live in self-built homes and depend on traditional medicines. While their poverty may be "extreme" by Sach's monetary measure, their quality of life is typically much better than that of their urban counterparts, even though their incomes are often smaller. While most would undoubtedly like more economic, social (e.g., health and education), and political "security," their basic needs and sense of community and purpose have, until recently, remained largely intact.

Our experience living with poor families in rural areas suggests that it has been the opening of their natural resources to global agribusiness, factory fishing fleets, and corporate interests that often leads to real poverty. Millions have been pushed off their land over the past few generations into urban slums where they live in squalor, earning pennies a day from "informal" activities like hawking cigarettes on the street or bringing home a few dollars a day from a sweatshop where they sew clothes for consumers across the ocean. Their plight is extreme: they are hungry much of the time, they lack clean water, they cannot afford doctors, community supports are few, and hope is a sparse commodity. Thus the number of people living in misery and squalor in a particular country may rise, even as the monetary measures of poverty decline. In sum, the statistics upon which most poverty elimination strategies are based are extremely misleading, and often steer experts toward the wrong solutions.

Myth #2: Development is a linear process of individuals from all walks of life using new technologies to move up a modernization ladder.

Sachs suggests that we focus our energy on cleaning up pockets of extreme poverty so that the impoverished are able to get a leg up on the "ladder of development." We need to give them "a boost up to the first rung"..."so that they may begin their own ascent."[8] Friedman picks up the same theme: "Ill health also traps people in poverty," he writes, and "keeps them from grasping the first rung of the ladder."[9] Once released from the bonds of extreme poverty, "a kid in India with a cheap PC can learn the inner workings of the same operating system that is running in some of the largest data centers of corporate America."[10] State power and corporate power count for less in a "plug-and-play world."[11]

In Friedman's world anyone who is not lazy (unlike those in Latin America where "everyone sleeps until midmorning")[12] can join the dynamic "flat world" economy by finding a laptop and jumping into the global rat race. According to Friedman, the entry of China, India, and the former Soviet Union into the global economy in the past 15 years has added 3 billion people to this new economy. Then, quietly on p. 375, Friedman confesses that "the world is not flat...." "Hundreds of millions" are "left behind by the flattening." Eight pages later, he acknowledges that the high-tech flat earth economy in India provides only 0.2 percent of India's jobs.[13]

Sachs does reflect on the causes of poverty. But his poverty-creation story also is linear: almost all people the world over were poor and living on farms a couple of centuries ago. He dismisses the notion that "the rich have gotten rich *because* the poor have gotten poor."[14] As Sachs has it, those with access to technology and trade got wealthier, while those geographically isolated or in areas prone to natural disasters and disease got left behind.

As a result, Sachs's quick fixes are technological: "We glimpse the pivotal roles that science and technology play in the development process. And we sense a progression of development that moves from subsistence agriculture toward light manufacturing and urbanization, and on to high-tech services."[15] To get a person with a middle-class "state of mind"[16] out of poverty, Friedman says, give that person access to a computer. "Guilty as charged," Friedman says in response to criticisms of himself as a "technological determinist."[17]

This focus on technology is ahistorical. As the Indian physicist Vandana Shiva writes: "Ending poverty requires knowing how poverty is created."[18] This sounds simple, but it gets to the crux of why so much of the development debate is misguided and so much money has been wasted in the name of ending poverty. Our experience suggests that laziness and corruption—Friedman's culprits—are not the main roots of this failure. Nor are Sachs's accidents of geography and climate.

Rather, the history of most parts of the world suggests a more violent process of poverty creation rooted in unequal power relations and manifested through slavery, the colonial legacy of export economics, the presence of extraction industries, and the sale of natural resources by governments to the highest corporate bidders.[19] For much of the past century, the U.S. government has supported dictators who impoverished their people by plundering their countries' resources. Our three decades of travel and research lead us to the conclusion that most people who are poor have been marginalized by more powerful actors, be they landlords or corporations or governments.

Poverty is not simply an absolute condition; it needs to be understood as a dynamic. It is necessary to look at the social, economic, and political interactions of poor people with the elites. It is not a matter of "cleaning up" disease; even healthy people are easily pushed back into extreme poverty when the deeper structural roots of poverty are not dealt with. That "ladder of development" is actually a complex, multidimensional maze of power relations.

In this context, we would argue that rising inequality is as important an indicator of human development as is poverty.[20] Elsewhere, we have presented evidence that economic globalization has contributed to the widening gap between its wealthy beneficiaries and the marginalized within most nations, and to a growing divide between most poor nations (excluding China, India, Brazil, and a handful of other big emerging markets) and the club of rich nations. There is also substantial evidence that growing inequality within a nation falls hardest on the poor.[21] Contrary to Sachs and Friedman, we believe that growing inequality is the inevitable outcome of the past two decades of market-opening policies. In China, for example, in order to create an entrepreneurial class, the government deliberately abandoned public universal healthcare and education, leaving millions to fend for themselves.

Myth #3: More and better aid is a big part of the answer.

If one ignores the mechanisms that make people poor, it is easy to conclude that throwing money at the problem is the answer to poverty. Sachs argues for more and better aid as he lays out five mechanisms through which aid could turn Africa around, from boosting agriculture to improving basic healthcare to providing education, electricity, and clean water. Through Sachs's efforts, aid has been distributed in this manner to eight "model" Kenyan villages.

But we have been here before. In his 1960 book *The Stages of Economic Growth: A Non-Communist Manifesto*, Walt Whitman Rostow, a senior adviser to Presidents Kennedy and Johnson, provided the intellectual rationale for the postwar aid effort. Rostow argued that "traditional societies" needed aid and other external help to change their culture of primitiveness and create the "preconditions for take-off" into modernization ("the age of high mass consumption") by means of higher income levels.[22]

We do not dispute that under the right conditions, aid can help mitigate disease and natural disasters. But the reality is that its track record in reducing poverty was as poor in Rostow's time as it is today. Former World Bank economist William Easterly calculates that rich countries "spent $568 billion (in today's dollars) to end poverty in Africa" between 1960 and 2003, a period when the number of poor in Africa rose steadily.[23]

In fact, there is ample evidence that financial aid often has a negative impact on the alleviation of poverty. It is invariably channeled in such a way as to widen the gap between the poor and the rest of society. Some years ago, the American researchers Betsy Hartmann and James Boyce studied an aid project that funded tubewells intended to bring irrigation water to Bangladesh's small farmers. Time and time again, however, the tubewells ended up owned by the richest people in the village—effectively making them richer and more powerful, and leaving others (including the targeted beneficiaries) even poorer and less powerful than before.[24] The geographer Ben Wisner concluded that for aid to be considered successful there needed to be "a shift of power in favour of the disadvantaged group." But, said Wisner, "this effect is as rare as it is essential to [a project's] long-term sustainability and reproducibility."[25] Sachs's model Kenyan village aid project does not meet this criterion, and has been criticized for addicting farmers to expensive chemical inputs and requiring amounts of aid that would be impossible on a global scale.[26]

It would be more effective to put a halt to the outflow of financial resources from poor to rich countries through widespread debt cancellation. Far more money is sucked out of poor countries through debt service on the now $2.5 trillion owed to international lenders by 153 countries than comes in through aid, and stemming this outflow could free hundreds of billions of dollars for healthcare, education, and disease prevention.[27] (To be fair, Sachs is an advocate of debt cancellation.)

Myth # 4: After aid gets a country started on the development ladder, increased trade will propel it upward.

As Sachs phrases it, "When the preconditions...are in place, markets are powerful engines of development," given "the remarkable power of trade and investment" to catalyze "rapid economic growth" and combat poverty.[28] Friedman concurs: "Every law of economics tells us that if we...promote greater and greater trade and integration, the global pie will grow wider and more complex."[29] Indeed, says Friedman, it is an "irrefutable fact that more open and competitive markets are the only sustainable vehicle for growing a nation out of poverty."[30]

He then reiterates the arguments that the World Bank has imprinted on the minds of editorial writers everywhere, namely that China and South Asia reduced extreme poverty over the past 15 years by opening their markets, while Africa kept its markets closed and poverty rose.[31]

How does the evidence stack up? First, does prying open markets help the poorest nations? During the 1990s, when market-opening policies were being pursued, the number of people living on less than a dollar a day in sub-Saharan Africa, Latin America and the Caribbean, and the Middle East increased.[32] One reason for this was that the prices paid to poor countries for their primary commodity exports rose far more slowly than the prices of their manufactured imports. Indeed, according to a recent United Nations study, "the terms of trade of commodities (vis-à-vis manufactures) have declined, with the 2005 level 30% lower than the 1975–85 level."[33] Compounding this problem is the fact that when the World Bank and the IMF press poor countries to open their markets, imports tend to rise much faster than exports, with poor farmers often suffering the most. A 2005 study by Christian Aid concluded that "trade liberalization has cost sub-Saharan Africa US$272 billion over the past 20 years," roughly the amount that the region received in aid over this period.[34]

In addition, there is a solid body of evidence refuting the World Bank's heavily promoted research that market opening policies lead to growth, which Friedman cites as the source of his "irrefutable fact."[35] Mark Weisbrot of the Center for Economic and Policy Research has studied growth rates for poor countries in the 1980–2000 period, when most were pushed to open their markets, and he concludes that growth rates were substantially lower than during the 1960–80 period, when markets were less open.[36]

Extreme poverty did decline in China and India during the 1990s. But neither country blindly followed Washington Consensus market opening policies. Instead, each selectively and carefully opened some markets while leaving other markets to the exclusive domain of domestic firms. Beijing and New Delhi steered economic resources toward land reform, education, and other national goals. Today, it is harder to follow their path, given the opposition of the World Trade Organization and other market opening institutions, but that does not change the fact that extreme poverty dropped in both, in large part as a result of government policy.[37] (Some social scientists have concluded that a key factor in China's poverty reduction was that family size fell over this period as a result of Beijing's one-child policy.)[38] In the absence of government intervention, open markets tend to enrich large entrepreneurs and corporations, at the expense of the poor.

Lately, the "alter-globalization movement" has focused attention on what it calls the "Wal-Mart economy." By this it means a global economy of increasing mobility for global firms like Wal-Mart in the absence of effective protections for workers, small local businesses, and the environment. In listing the key "free-market strategies" that countries should adopt, Friedman includes "flexible labor laws."[39] This is Orwellian code language for undermining worker protections. In this Wal-Mart economy, the accepted way for others to compete with cheap Chinese labor is through a race to the bottom in wages, working conditions, and government regulations.

Another critical problem is that rapid trade and investment growth depend on heavy fossil fuel use that is accelerating a global climate crisis. Demand is skyrocketing in China and India. The end of cheap energy, along with coming water shortages, could create more pressures to abandon traditional trade-expansion policies.[40]

Myth #5: The only alternative to market-opening globalization is protectionism.

In Friedman's words, the choice is "free trade" or "erect walls."[41] He concludes that the only way for rich countries like the United States to keep up as China and India surge ahead and grab millions of manufacturing and service jobs, is to compete harder. (To get his daughters to do their homework, he reminds them that "people in China and India are starving for your jobs.")[42]

If Friedman or Sachs had lent a more sympathetic ear to what they simplistically refer to as the "anti-globalization movement," they would have discovered that many citizen groups and governments reject *both* market opening at all costs and 1930s-style protectionism. And they are offering plenty of alternatives. The more properly termed "alter-globalization movement" draws from the ranks of union members, environmentalists, farmers, students, women, indigenous peoples, health activists, members of religious groups, researchers—and a growing number of elected officials, particularly in Latin America, where the electorates in Brazil, Argentina, Venezuela, Uruguay, and Bolivia have turned to political leaders who reject the Washington Consensus.

What are the movement's goals? It seeks to increase the power of governments and citizen groups over markets now dominated by large global corporations. Although there many different proposals, most alternative projects have as a common starting point a redefinition of development. The movement looks toward the fulfillment of people's basic social, economic, cultural, and political rights. It measures progress in terms of the improved health and well-being of children, families, communities, democracy, and the natural environment.[43] Rather than a linear "take-off," development in this view involves the redistribution of political power and wealth downward. A team of researchers from rich and poor countries (including the authors) affiliated with the International Forum on Globalization has distilled the alter-globalization movement's principles in an economic rulebook, *Alternatives to Economic Globalization,* in which democracy, ecological sustainability, subsidiarity (favoring local production), protection of common resources (like air, water, and parks), human rights, food security, equity, and cultural and biological diversity are the essentials.[44]

Alternatives in action—which build on the above principles—abound. Local governments, under pressure from citizen groups in many parts of the world, are encouraging family farms, innovative worker-owned enterprises, green building and environment-sustaining design, and the revitalization of public transportation and utilities. Curitiba, Brazil—a city the size of Houston—has been transformed into the "greenest" city in that country, by providing incentives for public transportation, bike paths, nonpolluting industries, and massive recycling. In Bolivia, Ghana, Nigeria, and elsewhere, grass-roots movements are reversing the two-decade trend of selling key public utilities, such as municipal water systems, to global firms. In Cochabamba, Bolivia, a consortium that included the international giant Bechtel was forced out in favor of a local-ownership model that reduced water rates. In Porto Alegre, Brazil, participatory processes in place since 1989 involve large numbers of local people in setting government spending priorities. In Guatemala, Nicaragua, Mexico, and Cuba, mobile teams of farmer-technicians from the "Campesino a Campesino" movement share innovative sustainable agriculture practices—protecting the environment, producing food, and improving the incomes of hundreds of thousands of smallholders.[45]

At the national level, governments of poorer countries are pressing for changes in global trade rules that will given them more "space" to set their own priorities as well as their own industrial and agriculture policies, such as favoring domestic farms and firms over global corporations. Brazil and Argentina, for example, have gained independence from the conditionalities of the International Monetary Fund by paying back their loans in full. This has allowed them to give primacy to social, environmental, and equity considerations over purely aggregate economic goals. Under pressure from an invigorated citizenry, Brazil has reduced clear cutting in the Amazon for the first time since 1997 through strict regulations, arrests of illegal loggers, agricultural planning, and the creation of protected areas. The Bolivian government is pursuing land reform as well as renegotiating contracts with the foreign firms that have controlled its natural gas production to ensure that more of the proceeds stay inside the country.[46] In the Philippines, Ecuador, South Africa, and several other poorer countries, slow but significant progress is being made in gaining legal recognition of the ancestral domain rights of indigenous peoples. In addition, a growing number of countries are establishing community-based, natural resource management systems that devolve varying degrees of local authority to indigenous and other local communities.

Many citizen groups and governments are rethinking aid and open markets, which Sachs and Friedman so single-mindedly promote. In the Philippines and several other countries, citizen groups have set up innovative structures to channel aid money to endow foundations, which in turn fund small-scale, grass-roots projects that often help local groups control and manage forest and fishing resources in a sustainable manner. The "fair trade movement" seeks to bypass global corporations and set up alternative trading arrangements that discourage sweatshop working conditions and environmental destruction. This includes product labeling initiatives that let consumers know that rugs have been produced without child labor (RugMark), tee shirts have been sewn by workers paid a living wage (No Sweat), or wood products have been made from timber that was harvested in a sustainable manner (Forest Stewardship Council). Numerous outlets—from Equal Exchange in Massachusetts to Dean's Beans—now sell "fair trade" coffee from Latin America, Africa, and Asia that has been certified by a third-party monitor. A TransFair certification label, for example, signifies that the farmers growing and harvesting the coffee or cocoa or tea work in cooperatives and receive a price that more than covers the cost of production. Often, fair trade organizations provide farmers with interest-free loans to cover production costs.

At the regional level, there are several alternatives to the "free-trade, free-investment-flow" model. The European Union offers a model of regional integration in which poor member states like Ireland and Portugal were aided by carefully targeted resource transfers and the setting of common (and high) labor and social rules. In Latin America, the Venezuelan government is earmarking part of its surging oil revenues to fund new regional integration initiatives as a counterweight to the corporate-led integration proposals of the United States. Among other initiatives, the Venezuelan government is offering subsidized oil to several neighboring countries and 12 Caribbean nations (as well as to low-income people in several communities in the United States) and attempting to negotiate trade agreements that put environmental, social, and equity goals on an even par with economic goals. The governments of Brazil, Argentina, Uruguay, and Paraguay have likewise fashioned a regional integration pact that gives workers a place at the negotiating table.

With the one-size-fits-all policies of the World Trade Organization, the World Bank, and the IMF increasingly being questioned by citizen groups and governments alike, there is a vibrant debate over replacing some of their functions with institutions whose purpose is to raise and stabilize commodity prices, give short-term financial relief in crisis situations, and offer menus of policy advice. There is now a global campaign to spread the debt relief offered to 18 countries by the G-8 in 2005 to a much larger group of countries and to eliminate harmful free-market policy conditions that still accompany debt relief.

* * *

Jeffrey Sachs and Thomas Friedman must be given some credit for embracing the idea of ending poverty and spreading prosperity, and for bringing these issues to wider public notice. Yet by basing their arguments on simplistic myths, they have hijacked the development debate. The well-meaning rock stars, government leaders, billionaires, and civil society organizations that have jumped on the Sachs/Friedman aid-and-trade bandwagon would do well to embrace the development alternatives that are being put forward by the alter-globalization movement. If they do so, the goal of "ending poverty" may actually be achievable. ●

Notes

1. Thomas L. Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Strauss and Giroux, 2005); Jeffrey D. Sachs, *The End of Poverty: Economic Possibilities for Our Time* (New York: Penguin Books, 2005).

2. Belén Balanyá, Brid Brennan, Olivier Hoedeman, Satoko Kishimoto, and Philipp Terhorst, eds., *Reclaiming Public Water: Achievements, Struggles and Visions from Around the World* (Amsterdam: Transnational Institute and Corporate Europe Observatory, January 2005).

3. Jeffrey D. Sachs, "The End of Poverty," *Time*, March 14, 2002.

4. Friedman, *World Is Flat*, p. 330.

5. The International Forum on Globalization, created in 1994, has brought together leading researchers and activists from North and South to understand the many ramifications of economic globalization and to seek alternatives. See www.ifg.org.

6. Jan Vandemoortele, "Are We Really Reducing Global Poverty?" United Nations Development Program, July 2002, pp. 2–3.

7. Ibid., p. 7.

8. Sachs, *End of Poverty*, pp. 2, 24, 244. Sachs wants to clean up this "clinical poverty" through "clinical economics," building on the image of "modern medicine, a profession of rigor, insight and practicality" (p. 74).

9. Friedman, *World Is Flat*, p. 382.

10. Ibid., p. 97.

11. Ibid., pp. 9–11, 185.

12. Ibid., p. 316. Friedman has a tendency to resort to such hyperbole. Indeed, in this case, he qualifies "everyone" only by adding that he is not talking about "Chileans" or "energetic immigrants."

13. Friedman, *World Is Flat*, p. 383.

14. Sachs, *End of Poverty*, p. 31. Emphasis in the original.

15. Sachs, *End of Poverty*, p. 18.

16. "Middle class is a state of mind, not a state of income" (Friedman, *World Is Flat*, p. 375).

17. Friedman, *World Is Flat*, pp. 373–74.

18. Vandana Shiva, "How to End Poverty: Making Poverty History and the History of Poverty," unpublished paper, March 28, 2005.

19. See Walter Rodney, *How Europe Underdeveloped Africa*, rev. ed. (Washington, DC: Howard University Press, 1982).

20. See Branko Milanovic's *World's Apart: Measuring International and Global Inequality* (Princeton, NJ: Princeton University Press, 2005); see also United Nations Conference on Trade and Development, *Trade and Development Report, 1997* (Geneva, 1997); United Nations Development Program, *Human Development Report 1999* (New York, 1999).

21. Vandemoortele, "Are We Really Reducing Global Poverty?" pp. 11–13.

22. W. W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto*, 2nd ed. (Cambridge: Cambridge University Press, 1971), ch. 2, 3. Sachs indeed uses the word "takeoff" (for example, see p. 31) and "preconditions" (for example, see p. 3).

23. William Easterly, "Tone Deaf on Africa," *New York Times*, July 3, 2005.

24. Betsy Hartmann and James Boyce, *Needless Hunger: Voices from a Bangladesh Village* (San Francisco: Institute for Food and Development Policy, 1979); *A Quiet Violence: View from a Bangladesh Village* (San Francisco: Institute for Food and Development Policy, 1983).

25. Ben Wisner, quoted in Lloyd Timberlake, *Africa in Crisis: The Causes, The Cures of Environmental Bankruptcy* (London: Earthscan, 1986), p. 219.

26. See, for example, the recent work of American University's Caleb Rossiter, esp. "Poverty in a Time of Empire: Why Foreign Aid Can't 'Make Poverty History,'" unpublished paper, 2006, available at www.calebrossiter.com.

27. Sarah Anderson and the Global Economic Task Force of the Institute for Policy Studies, "Debt Boomerang: How Americans Would Benefit from the Cancellation of Impoverished Country Debts," Institute for Policy Studies, Washington, DC, discussion draft, October 27, 2005, p. 3, available at www.ips-dc.org.

28. Sachs, *End of Poverty*, pp. 3, 356–57.

29. Friedman, *World Is Flat*, p. 248.

30. Ibid., p. 314.

31. Ibid., p. 315.

32. Vandemoortele, "Are We Really Reducing Global Poverty?" pp. 2–3.

33. From UNCTAD meeting on "Commodities and Development," February 7, 2006, as discussed in Martin Khor, "UNCTAD Commission Debates the Crisis in Commodities," TWN (Third World Network) Info Service on WTO and Trade Issues, February 13, 2006.

34. "The Economics of Failure: The Real Cost of 'Free' Trade for Poor Countries," Christian Aid briefing paper (London, June 2005), p. 1.

35. For a critique of this research by World Bank economists David Dollar and Art Kraay, and the "paradigm maintenance" role of World Bank research, see Robin Broad, "Research, Knowledge, and the Art of 'Paradigm Maintenance': The World Bank's Development Economics Vice-Presidency (DEC)," *Review of International Political Economy*, forthcoming August 2006.

36. Mark Weisbrot, "The Scorecard on Development: 25 Years of Diminished Progress," Center for Economic and Policy Research, unpublished paper, September 2005. See also Ravi Kanbur, "Economic Policy, Distribution, and Poverty: The Nature of Disagreements," *World Development*, vol. 29, no. 6 (2001), pp.1083–94, and "Extract from Growth and Trade: The Last Redoubt?" available at www.cornell.edu/poverty/kanbur; Dani Rodrik, *The Global Governance of Trade As If Development Really Mattered* (New York: United Nations Development Program, 2001); and Robert Hunter Wade, "Is Globalization Reducing Poverty and Inequality?" *World Development*, vol. 32, no. 4 (2004).

37. See Robert Hunter Wade, "What Strategies Are Viable for Developing Countries Today? The World Trade Organization and the Shrinking of 'Development Space,'" *Review of International Political Economy*, vol. 10 (November 2003), pp. 621–44.

38. B. Gustafsson and W. Zhong, "How and Why Has Poverty in China Changed? A Study Based on Microdata for 1988 and 1995," *China Quarterly*, vol. 164, no. 1 (2000), pp. 983–1006; and S. Pal, "Economic Reform and Household Welfare in Rural China: Evidence from Household Survey Data," *Journal of International Development*, vol. 12, no. 2 (2000), pp. 187–206.

39. Friedman, *World Is Flat,* p. 314.

40. See the special issue of *WorldWatch Magazine* on "Peak Oil," January/February 2006: and Richard Heinberg, *The Party's Over: Oil, War and the Fate of Industrial Societies* (Gabriola Island, British Colombia: New Society Publishers, 2003); and Maude Barlow and Tony Clarke, *Blue Gold: The Fight to Stop the Corporate Threat to the World's Water* (New York: New Press, 2002).

41. Friedman, *World Is Flat,* p. 227.

42. Ibid., p. 237; see also p. 226.

43. See David Korten, *The Great Turning: From Empire to Earth Community* (San Francisco: Berrett Koehler, 2006); and Frances Moore Lappe and Anna Lappe, *Hope's Edge: The Next Diet for a Small Planet* (New York: Putnam, 2002).

44. John Cavanagh and Jerry Mander, eds., *Alternatives to Economic Globalization: A Better World Is Possible*, 2nd ed. (San Francisco: Berrett-Koehler, 2004). "Subsidiarity" refers to encouraging as much economic activity as possible to remain first local, then regional, then national, turning to the global economy only for goods and services not available at these other levels.

45. Eric Holt-Gimenez, *Campesino a Campesino: Voices from Latin America's Farmer to Farmer Movement* (Oakland, CA: Food First Books, 2006).

46. Cavanagh and Mander, eds., *Alternatives to Economic Globalization*, p. 170.