

# "Extreme poverty can be ended, not in the time of our grandchildren, but our time."

Source: Jeffrey D. Sachs, *The End of Poverty*

*Jeff Sachs*

Poverty is one of the most pressing issues of our time. Today, about one fifth of the world's population lives in extreme poverty\*, that is, on an income of less than one US dollar a day. Professor Jeffrey Sachs, who heads the Earth Institute of Columbia University, has shown his prowess as an economist in formulating practical initiatives toward achieving the Millennium Development Goals\*\* of the United Nations. Dr. Kiyoshi Kurokawa M.D., Special Advisor to the Cabinet on Science and Technology and on Innovation Policy and well versed in international scientific policy, served as moderator of this discussion with Sumitomo Chemical Company President Hiromasa Yonekura.

## A practical approach to eradicating poverty

**Kurokawa:** Dr. Jeffrey Sachs is a vigorous advocate of the Millennium Development Goals of the United Nations, which are a blueprint for building a better world in the 21st century. To achieve these goals, he established an NPO called Millennium Promise, which he heads. The NPO's flagship initiative, the Millennium Villages, has received acclaim from many African leaders and counts the Japanese government as a major supporter. Dr. Sachs, please tell us about your work.

**Sachs:** First, I want everyone to know that it is possible to help the poor to be healthier, better educated, and more productive in their livelihoods, which are mainly farming-related. If we can help the poor to fight disease, grow more food, connect to markets, and have their children in school, it is possible to make a big breakthrough out of poverty. We started the Millennium Villages project to bring this about. We selected a number of villages to serve as models for their areas and provided support to help the people on their way to becoming self-sufficient. One of our leading partners right from the beginning has been Sumitomo Chemical Company, which is

providing anti-malarial bed nets. Evidence shows that if we can get malaria under control, then economic growth can rise significantly. Malaria not only makes people sick, it keeps the children out of school, it prevents the mothers and fathers from working, and so it has an effect that is economic and social, even beyond the health effects.

**Kurokawa:** Sumitomo Chemical developed the OLYSET® NET mosquito net, which incorporates insecticide into the actual fibers of the net, so it can be washed yet remain effective against mosquitoes for five years or more. Not only are the nets preventing malaria, they are also invigorating the local economy. Sumitomo has licensed the technology free of charge to a net manufacturing company in Tanzania, which is providing increased employment and skill-building opportunities. Mr. Yonekura, would you please give us some background on this?

**Yonekura:** Today it is estimated that more than 300 million people contract malaria worldwide each year and over one million die from the disease. As a diversified chemical company, Sumitomo was able to combine its expertise in resins and insecticides to develop the OLYSET® NET. At the request of the UN and other organizations, we set up mass production facilities at several overseas sites and are currently building an

additional facility in Tanzania. This is expected to expand local employment there to about 2,200 workers involved in OLYSET® NET production.

**Sachs:** The OLYSET® NET is a very ingenious product that not only provides simple protection against malaria, but also is inexpensive and economical. So I think it has changed the whole possibility of controlling this disease.

**Kurokawa:** This is an ideal example of successful innovation: a completely new product that provides so much help and happiness to people in need.

**Sachs:** I agree. So how much production is there now?

**Yonekura:** The current capacity is about 30 million nets a year. But this is not enough. We need to make many more to meet Africa's needs. We are planning a huge integrated petroleum refining and petrochemical complex in Saudi Arabia that will produce the resins from which the nets are made.

**Sachs:** I would like to see these nets reach all the people who need them.

## Economists should be like clinical doctors

**Kurokawa:** Many governments want to provide aid to countries suffering from extreme poverty, but often they do not know what is really needed. To decide what kind of assistance will work, I think we need to visit the specific region in question, see conditions with our own eyes, and take into account local policies and infrastructure.

**Sachs:** Exactly. I liken it to a doctor diagnosing a

patient. Not all patients have the same illness. Not each economy has the same problem. To make a good diagnosis you need to interview the patient. You have to discover what to do here and what to do there.

**Kurokawa:** That's what you call a clinical interview between the doctor and patient.

**Sachs:** Yes. I always say that economists should be like clinical doctors.

**Yonekura:** To help with these issues in Africa, we think it is important to help people develop their own economy and their own businesses. Therefore, Sumitomo Chemical is also supporting education through the construction of primary-school facilities in Africa. It may take time, but for communities to attain future independent development, we ought to start now by doing what we can.

**Sachs:** Well, you are inspiring them and I think they are very eager for that.

**Kurokawa:** Many young people also want to get involved with this program. Over summer holidays or during college, for example, they want to work and join in. I think there are many Japanese young people who would like to participate.

**Sachs:** We have started, in the United States, an organization called Millennium Promise, which is helping people from many walks of life to get involved and to understand the initiatives for eliminating extreme poverty. It would be great if Millennium Promise could start activities in Japan. In America, students are saying: "What can I do? Where can I go? How can I be an intern?" and I think it will be exactly the same in Japan.



## Time for public-private sector partnership

**Yonekura:** There are many ways, I think, to make this assistance more effective. Governments alone cannot do enough. The private sector must also join. Something of a public-private partnership is needed. That's the best way.

**Sachs:** No question. The private sector has the technology, the business know-how and so many ideas. The public sector has some of the financing and some of the political commitments, so you put the two together and it's very powerful.

**Kurokawa:** Japan has outstanding technologies in many of the areas that Africa is requesting, such as solar panels and water processing technologies.

**Yonekura:** We have to continue to provide support

through our technologies. At Sumitomo Chemical, we want to seek ways to help tackle poverty.

**Sachs:** Absolutely. All the leadership here in technology is wonderful and, with so many good ideas, I am sure that you will inspire many more businesses in Japan to do more.

**Kurokawa:** I want everybody to know about the major issues that our world is facing. We have to really open our eyes and think of what we can do for a better future. Now is the time to act.

\* **Extreme poverty:** Defined as subsistence on less than US\$1 a day in the Millennium Development Goals. One of those goals is to halve such extreme poverty and hunger, as a percentage of world population, by 2015.

\*\* **Millennium Development Goals:** Eight goals undertaken by the UN covering poverty, education, the environment, human rights and other issues that most seriously affect the developing nations. The goals have 18 targets and 48 indicators, with a target date of 2015.

## Panel Discussion



Hiromasa Yonekura

Mr. Yonekura is President of Sumitomo Chemical Co., Ltd. He is also Vice Chairman of Nippon Keidanren, the Japan Business Federation, where he chairs the Committee on Europe and the Committee on Promotion of Economic Partnerships. Yonekura joined Sumitomo Chemical in 1960 and was appointed President in 2000.



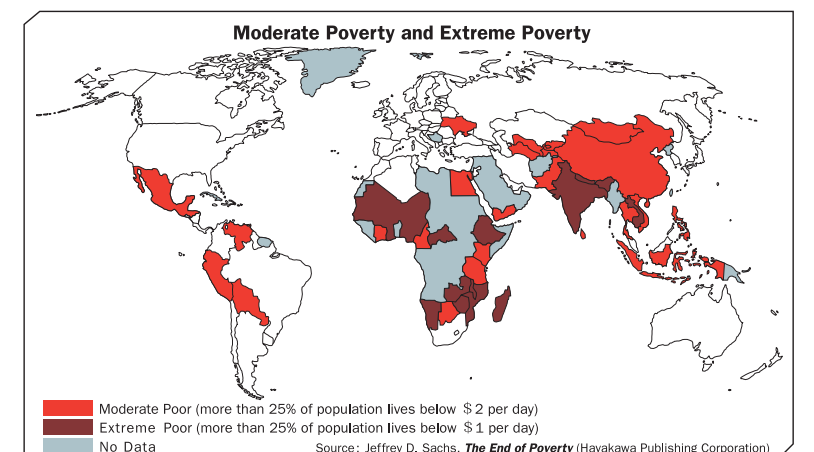
Professor Jeffrey D. Sachs

Dr. Sachs is Director of The Earth Institute at Columbia University. He is also Special Advisor to the Director of the UN Millennium Project and Special Advisor to United Nations Secretary-General Kofi Annan on the Millennium Development Goals. Sachs is the author of *The End of Poverty*, which has been translated into many languages, including Japanese. Widely considered to be the leading international economic advisor of his generation, Sachs promotes policies to help all parts of the world to benefit from expanding economic opportunities and well-being. Prior to joining Columbia, he spent over twenty years at Harvard University, most recently as Director of the Center for International Development. Sachs received his B.A., M.A., and Ph.D. degrees at Harvard University.



Kiyoshi Kurokawa M.D.

Dr. Kurokawa is Special Advisor to the Cabinet, WHO Commissioner, and Chairman of the Health Policy Institute of Japan. He received his M.D. degree from the University of Tokyo Faculty of Medicine in 1962. He was appointed Professor of Medicine in the Department of Medicine at UCLA School of Medicine in 1979. After serving as Professor and Chairman of the First Department of Medicine at the University of Tokyo in 1989, he was appointed Dean and Professor of Medicine at the Tokai University School of Medicine. Since 1997, he has acted as Professor Emeritus at the University of Tokyo and, from 2003 to 2006, as President of the Science Council of Japan.



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