

# **THE END OF POVERTY**

## **PROFESSOR SACHS**

**(Lecture Transcript)**

### **Bradley Vann**

Good morning everyone. My name is Bradley Vann, I'm the managing partner in Melbourne for Clayton Utz. It's a great pleasure to host at the Castan Centre here today in this event. It's also my great pleasure to introduce Tim Costello.

World Vision Australia is an organisation with which Clayton Utz has a deep relationship. It goes back a number of years. It's also our largest pro-bono client and I guess most of us these days see Tim and his manifestation as the CEO of World Vision Australia. In many ways our association goes beyond just doing the work with Tim and we also seem to lose many of our best lawyers to the World Vision Australia. They spend some time in the commercial sector and then they move into the not for profit sector and Fiona McLeay sitting in front here, current General Counsel at World Vision Australia as the case in point.

Tim after studying law and education at Monash University and obtained his masters in theology at Melbourne College Divinity, was ordained a Baptist Minister in 1986 and you have to say, Tim's probably one of the most entrepreneurial members of, I think I've come across in terms of his associations with theology and also his associations with engagement of community. He was a Minister there at St Kilda Baptist Church from 87 through to 94. He also served as St Kilda's Mayor evidencing the point I made from 93 until, 93 until 94. He was Minister at the Collins Street Baptist Church from 95 to 2004 and Executive Director of Urban Sea, a Christian not for profit organisation. Tim was named Victorian of the Year 2004 and in June 2005 he was awarded an Office of the Order of Australia AO and is currently Australian Victorian of the Year. Sorry, I should say, Victorian Australian of the Year. It's too early in the morning obviously for me.

Tim will introduce our eminent speaker and I would like to hand over to Tim now.

### **Tim Costello AO**

Thank you. Well thanks for that introduction and Professor Sachs you've got seated here 100 of Australia's best looking and brightest young people. Unfortunately you can only see one of the oldest and dumbest old people here but believe me, there's a very eager crowd here to hear you. I've had the privilege of meeting Jeff and of course reading his book and when you have as the book ends around global poverty, the Irish rockers Bono and Bob, you have really a lot of the heart. People who actually move young people, who say we can do it, we can make poverty history.

But the heart would be nothing if there wasn't the head and I regard Jeffrey Sachs and his thinking, his commitment, his intellect as really the head of this whole movement. Giving confidence to those who are much more rational, cynical, sceptical, who listen to those rockers, Irish romantics and say, well, why would you ever trust an Irish rocker. They really don't get it. Jeffrey Sachs is the one who's actually, in my view, given the grounding to say, no there is a plan and it's rational and if we organise and understand this plan, we can connect the head and the heart. So I regard the speaker we are about to privileged to hear this morning as enormously important on what I also regard as the most morally serious issue of our time. Why should even one child die in the twenty first century simply for the lack of a 20 cent immunisation, let alone, 30 thousand kids that die from lack of food, preventable disease, drinking, dirty drinking water.

Jeffrey has been labelled by the New York Times as the most important economist in the world. He's the Director of the Earth Institute at Columbia University. He's also Director of the United Nations Millennium Project and special adviser to the United Nations Secretary General on the Millennium development goals. He has instigated important initiatives to reduce climate change and has authored hundreds of articles on a wide range of topics. He has published many books including the New York Times best seller, *The End of Poverty*. We thank you for your time this morning. Would you welcome Jeffrey Sachs.

### **Professor Jeffrey D Sachs**

Thank you so much. What a great pleasure to sit and brainstorm together. We all need a bit of heart and a bit of head in this. The fact of the matter is with regard to the head part, the thinking part, the cynics just have it wrong. They're the laziest thinkers of all. It's very easy to be cynical. But the more you analyse the particular problems that we face on the planet -- and the struggle for survival of the world's poorest people is certainly right at the top of that list -- the more you see that the cynics really are just dead wrong. They don't get it. What they don't understand is that these are solvable problems. There are straight forward approaches that could be saving millions of lives, not in 5 or 10 years, but actually within the current year. It's possible to have huge effects on human wellbeing for the good if we just take time out from all the wars that we're fighting and devote just one tiny fraction of the resources and the effort that we're putting into war to human survival.

Let me give you a straightforward example and then go to more general themes. A couple of weeks ago I was in Tanzania on the two islands of Zanzibar, which is part of Tanzania. These are two Indian Ocean islands just off the coast of the mainland. A year ago, after decades of neglect, the world decided to help this impoverished part of an impoverished country to fight malaria. Malariologists have been saying for years that there are very powerful tools to cut sharply the number of deaths from a disease that will claim 2 to 3 million children's lives this year. The US government gave a few million dollars of funding to Tanzania and the Tanzanian government used it to purchase very inexpensive and very powerful state of the art technology: bed nets to protect children from the mosquito bites that transmit the disease, indoor residual spraying using ICON pesticide and first line medicines called artemisinin therapies, which cost a little under a dollar per dose to save a child.

These things were put to work on the island in January 2006. When I came in January 2007, I was shown the results for the year. What was so wonderful and so heartening but not at all surprising for specialists is that by investing a little bit, a few dollars per person, malaria has been brought down by 99%. Effectively, there is no more malaria in Zanzibar and the head of the Health Services in the northern island, Pemba, told us that the big problem that the biggest “problem” was that they had no patients to participate in clinical trials they had hoped to run on the artemisinin based medications. Because malaria is gone, the hospitals are empty. The success has been so great in part because these are islands, which make malaria control a little bit easier than on the mainland. But similar results could be achieved on the mainland.

We now have found a path to end this massive killer disease. The main message that I would have for you, and with you, is that when you look at the real challenges of the extreme poor and you understand the actual structural conditions, there are straight forward solutions that in essence are as straightforward as a bed net, indoor spraying and effective medicines. If the rich were just a little bit less afraid of the poor, were a little bit calmer and stopped wasting such an incredible amount of money and lives on war, we’d understand that the cynics have it all wrong, that actually extreme poverty can be brought decisively under control.

I was very fortunate to be asked in 2002 by Kofi Anan, the Secretary-General of the United Nations at the time, to head a project to identify these practical pathways to the end of poverty. And so I had the great chance to listen to malariologists, to AIDS doctors, to cardiovascular specialists like Steve Leeder at University of Sydney Medical School, to experts in hydrology to experts in food production, in soils, in emergency obstetrical care and so on. Because economics is just one piece of the puzzle of poverty.

In that project we found that any problem you looked at had a tested and proven solution that was available at low cost. By putting those solutions together, you can understand the structural trap that was holding so much of the world’s poor in its grasp. The problem for most of the world’s poor is that they’re living in difficult places, beset by huge challenges that have led to such low productivity that they can’t even earn enough to meet their basic needs. So the nature of poverty is to be trapped with productivity so low, whether you’re growing food, raising animals or engaged in some other activity, that it doesn’t lead to enough crop production or income generation to ensure nutrition, safe drinking water, access to emergency health care and so on. When you’re trapped in that situation, you’re really trapped, because even though you know the solutions that you need, you can’t afford them because you need every bit of income that you have at the moment just to stay alive.

So we identified ways to raise the productivity of the poor so that they could get out of this poverty trap. It’s not charity and it’s not a handout. I have nothing against charity and I have nothing against handouts for people in need but I do believe that the better way -- when we have it -- is to help people become productive enough that they could get on their feet or, as I say, get on the first rung of the ladder of economic development.

What we recommended to the Secretary-General back in 2005 was for the rich countries to help those trapped in poverty. We made a little observation, which my government didn’t like very much and I don’t think your government liked it very much either, that rich countries should live

up to the promises they've made for the last 37 years to devote just 0.7% of our national incomes to official development assistance. In 1970 we promised 0.7% of GNP. I think you know that Australia and the United States share not only the dubious distinction of not signing the Kyoto Protocol, but we also share the dubious distinction of being just above the bottom of the scale of how much of our national incomes we're devoting to development assistance. I don't quite know where our politicians get this lack of responsibility. I think they've got it wrong about what's good politics and what's bad politics. George W. Bush thought good politics was invading Iraq but not spending more on development aid. I think most Americans think we're just widely off track in how we're managing our foreign policy. That's certainly how I feel.

It turns out that to fight AIDS, TB, malaria, unsafe drinking water, lack of agricultural productivity, lack of electricity, lack of roads, power and transport, all we need is 0.7% of GNP. The rich world is so rich (\$35 trillion) that 0.7% is \$240 billion while we're actually giving well under \$100 billion. If you take out the parts that are going for Iraq and to other war zones, what we're actually giving to Africa gets down to about \$25 billion instead of a substantial share of the promised \$240 billion. There's no shortage of money in this world. There's no shortage of ability to solve these problems. There is a kind of congenital fear of the poor and there's also a pseudo-sophisticated scepticism, held by people who have absolutely not a clue as to what poverty really is about, who haven't set foot in an African village, have not worked with governments and don't understand all the tremendous things that are being accomplished on a small scale that could be accomplished on a large scale, were the resources available.

A couple of years ago, when it was getting hard to get the governments to honour their promises, I started to talk to a lot of private philanthropists and every day citizens and found a great resonance with these issues. Once they heard there were practical things to do, people wanted to sign on. Wealthy people have pledged more than 100 million dollars in the last couple of years to a project we call the Millennium Villages Project, which is implementing at a small scale the recommendations of the UN Millennium Project. What we're doing in villages across Africa, covering about 400,000 people right now, is helping these villages to raise their productivity in agriculture, in disease control, in school feeding programs, in infrastructure and so on. I spent much of January in Uganda, Tanzania and Kenya looking at the projects, seeing what's going on. Within a year you can help villagers transform their own lives. Get these diseases under control, grow food, break the back of extreme hunger. They're not rich by any means after one year, but they have hope. They have beaten that hunger. The worm infections that drain their children's energy are gone because they've received basic medicine. Malaria is under control.

So if anyone tells you that it can't be done, it's all a matter of corruption, send them to me. I'd like to fill them in on some basic points. I believe we have a real opportunity right now, and if our governments don't want to do it, there are lots of other people who should want to. There are rich people in Australia, in the United States. We've got to tell them to become a part of this. World Vision does absolutely wonderful things: very practical, on the ground and that's the kind of approach that we need. We can't just argue with the naysayers; we've got to get moving on our own.

I'm pretty excited by what I've seen, because there are people of good will all around the world who are saying enough with war and let's get on with practical things, let's use our hearts and

our heads, let's listen to what the specialists are saying and apply the very powerful tools that they've already developed. If we do it, I'm convinced that it's still possible to achieve the Millennium Development Goals by the year 2015 everywhere.

If invest resources in a smart, practical, and sensible way -- fighting disease, unsafe water, lack of access to electricity and the like -- the MDGs are still achievable around the world. Our generation can do something that no other generation could even have dreamt of doing. We are literally the first generation in history that can end extreme poverty. I tell my students that that's their homework assignment. I also tell them that the MDGs are the midterm, but the final exam is in 2025. There's no reason we can't do this. Your generation is going to do it. Take up the challenge, learn the details, become an expert on the issues of soils, climate, disease, hydrology and the rest. You'll see that we have the power to do it. Let's get on with it and thanks very much for letting me share these ideas with you.

Well thank you Jeffrey that was very, very inspiring and on your point about the American people having a bit more sense than the American government, I might say that's exactly the case here in Australia. When it comes to private donations to overseas aid, Australia per capita is second only to Ireland but it's our government that's way out of step and of course when you raise that here, you're accused of politicising issues and you mustn't get political with government. We have some people who are keen if you've got time to ask some questions of you and I'll walk up here and respond, so we've got maybe 20 minutes. Who would like to be the first person to ask a question? Well they were keen Jeffrey, looks like the breakfast is over. Any questions? Yes, please, come on down. The camera only focuses here so this is, no you come stand here thanks.

Q Jeffrey thanks very much for that. Two quick things. One would be in, in shifting to private a little bit of a concern here but it seems to match with some of those in government who say look, you know, giving to overseas countries is actually a private matter and people should just give their own and it's not a role for government to give money so concern there is that letting governments off the hook. Second question would be around the role of tax competition and tax havens in the global financial system in the way how do we tackle that and how do we stop that from being a major impact on developing countries and their ability to move forward and the way this sort of takes corruption globally. Thanks.

A The 0.7 percent came about as a United Nations General Assembly Resolution in 1970, following a report led by Lester B. Pearson, the Nobel Laureate Prime Minister of Canada. The idea was that the private sector should give 0.3 of 1% of aid and the public sector should give 0.7 of 1% so that rich countries as a whole should be transferring 1% of their income to the poor countries. That's how we got to this funny number of 0.7 percent for official aid. We've seen right from the beginning that there's a complementarity between what the private sector and the public sector. Australia signed on not only then back in 1970 but again in something called the Monterey Consensus in 2002.

The Monterrey Consensus is a very important document. Your government and mine ought to be held accountable for it. The document came out of a meeting in Monterrey, Mexico, following the Millennium Summit. The meeting was called Financing for Development. The Consensus is a beautiful statement – you can read it yourselves on the internet. It's a full description of why we need public sector financing for certain things as well as private sector financial flows.

Your Prime Minister and my President were in power in 2002 and they're parties to this statement, for good reason; it's the basic decency we need to actually have some security today. If we just go with war, we're going to end up with exactly what we have right now. We're faced with a massive and growing debacle right now. I think it's important for us to remember that when we've been successful at war it was partly because we were also fighting for human dignity, the escape from poverty, and so forth. Franklin D. Roosevelt and Winston Churchill talked about the four freedoms, including the freedom from want. They understood that a decent world had to include a shared responsibility of the rich countries for the poor countries. I want to remind everybody of the responsibilities that we've taken on collectively in a political sense, because we need those significant transfers. If Australia wants to give 1% of GNP in private charity, I'd say you're off the hook for the official giving. But since you're nowhere close to 1% of GNP in private giving, I'd rather that we stick with the formula we promised.

Very quickly on tax havens. Of course, tax evasion is a problem everywhere. Speaking as a macroeconomist, I recommend that developing countries have the back bone of their tax system be a value added tax, rather than an income tax. It's very hard to collect income taxes in a low-income context, because you have to keep a very low rate of taxation on capital to attract foreign investment. There is a little bit of a race to the bottom in terms of capital taxation in the world right now. My feeling about fiscal policy in general is that we shouldn't look for the progress so much on the tax or revenue side as on the expenditure side. From a practical point of view, I like value added taxes an equivalent consumption tax to use the money first to help meet basic needs of the poor and, second, to build out the basic infrastructure for everybody. There are problems with tax evasion, but in my work as a macroeconomic advisor, I don't spend huge amounts of time trying to get governments to collect income taxes; it's too hard. I do encourage them to collect value added taxes.

Q Thank you.

So another question.

A You've mentioned a lot of positive and practical things but you also alluded to something more negative and that is the fear that the rich societies have of poor people. You may address this in your books and, and I will be going to read some but I wondered if you could just briefly tell us what you think those fears are, make them more express to us and perhaps outline how they could be addressed. Because it seems to me that if that is a very a motivating factor in our country's lack of response, that really has to be addressed before we can make progress.

A I think there are a couple of different connected things going on. I believe that, in American society, we don't want to look too closely at the poor because we fear we're going to get dragged into their problems. There is a blatant feeling that these problems are just too big to take on, and also that taking them on exposes you to attacks for being unfair, for being wealthy and for living a certain lifestyle, so that in the end it's going to be thankless and the real problems won't get solved. The fear is that you're going to be pulled down rather than pulling the poor up. It's interconnected, in my view, with race and ethnicity. Because there really is a, a very deep problem of all of the world than just living with, with different ethnic groups and, and different racial groups and I have little doubt that this is part of the real challenge in the United States that, you know, we were a society that grew up on slavery after all and well that's a long time ago. Actually civil rights movement is not such a long time ago and there really is a lot of fear of the other and a lot of fear of, of other races and so on.

It's all very emotional, and I believe that what is needed most of all is people of decency coming to this with goodwill and with calm thinking and reflection about what can be done about it. The poor need so little to get a foothold in this world, and the amazing thing is that the poor countries are not asking for a massive redistribution of global wealth, for global revolution. They're asking for 0.7 of 1% of rich world income. Some day we'll look back and wonder how we could have been so unbelievably stupid not to listen to the very poorest people of the world, who are basically telling us to have our system, have our wealth, have our global capitalism, but just to give a little bit of help so they can stay alive and their children can have a chance. Because that's what they're really saying to us right now. I believe that if we have a way in our noisy world to have a real conversation about this, the fear of it can be reduced significantly and the educational process can work. Having more people see and learn and have a chance to interact with people across a racial or ethnic or cultural or religious divide is hugely positive for the world. That's what I think will make globalisation work in the end. If we'd stop shouting at each other and, most importantly, if we'd stop bombing each other, we'd actually have a chance to talk to each other and then realise that we're not making impossible demands of one another. All people want is a chance for their future and a chance for their children's future. They're not expecting the moon, and they're not asking for anything they don't deserve as human beings with dignity. They're just asking for that little bit of help to get them out of the ditch. If we could hear that, I think the fear factor could be reduced dramatically.

Thank you. Yes.

Q You've done a wonderful job this morning educating 100 plus people here about these issues but it seems to me that most of us only get exposed to this sort of dialogue when we're adults, in university courses or through functions like this or reading in your books. Are you aware of any initiatives to actually try and get these principles and these ideas into the school system so that we actually don't produce, turn children into adults that do have this fear of poor people or do have already instilled biases and prejudices?

A What a wonderful idea. We're doing a little bit here and there in our own projects. I've helped to start an NGO in the United States which you might want to look at online called Millennium Promise. It's [www.millenniumpromise.org](http://www.millenniumpromise.org) and it was founded to get a citizens movement going to support the millennium development goals. It includes some curriculum design, including some books to teach very young kids about malaria so they can raise money at a school festival for \$10 bed nets to help save a child in Africa for example.

I'm speaking to 100 people at this event. If each of you would talk to 100 people we'd be at 10,000. If they in turn teach 100 people we'll be at one million and pretty soon we're going to start getting to where we need to be. We all need to be advocates in our communities. The UN Millennium Project website has some learning materials at [www.unmillenniumproject.org](http://www.unmillenniumproject.org). Millennium Promise has some learning materials. World Vision has some learning materials. If we all take on some personal responsibility to help engage others, there's really a tremendous opportunity. I don't think it's a cliché to say that these ripples really do add up to a mighty wave. That's a paraphrase of how I end my book, *The End of Poverty*, quoting Robert Kennedy who talked about the ripples of our individual actions and how they can add up to, to a wave that changes the world. The beauty of a connected world is that we can have this very nice chat, while I'm sitting in my home in New York, speaking to you in Australia. We have opportunities to reach out to more people more effectively than could even have been imagined in the past. If we use those opportunities, we're actually going to win.

And I might say that the Make Poverty History Concerts here saw literally tens of thousands of young people sign up because they have a global ethic. They understand that climate change, terror, or poverty are trans-national problems and it's not George W. Bush's world or John Howard's world. It's theirs.

Q Jeffrey can I suggest that one of the fears that we have in the first world is fear of confusion and I have it myself. If we take on responsibility for world poverty, where do we draw the line in our own minds? So we live in a first world, do we own our own home when we know how many people that could save. What about our children's education? Do you have a problem drawing a line when you go into a shop to buy a birthday present for a friend when you know exactly the value of that money in world terms?

A I'm an optimist about our capacity to improve the lot of the world and don't believe in any serious sense that the poverty of the poor is due to the wealth of the rich. I believe that the wealth of the rich is due to wonderful, wonderful productivity that is science based, that has been developed through powerful technologies over the last few hundred years. Of course the rich have often used that to exploit the poor, and even to colonize and kill them. But that the wealth isn't the result of the exploitation. The wealth is actually the result of the power of ideas, the power of science, the mastery of technology. I'm not a leveller in the sense of saying that we've got to come down sharply on our living standards to make room for the poor. I am of the view, and this would take us into another long discussion, that we ought to have a different kind of energy system from the



one we have. Since Australia's a huge coal producer, it ought to be a champion of sequestering the carbon dioxide that comes from burning coal by using smart technologies and be in the lead of saying, yes, we could use our coal but let's use it in an environmentally smart way.

For the purposes of your general question, that's almost a footnote, because my basic belief is that we really can see a world in which there is shared prosperity without having to make profound sacrifices. I'm not saying that I have to live in complete austerity in order to help the poor. What I'm saying is that I have to use the wonderful things that I've have the great fortune to learn to help benefit others, understanding that that's not a risk to me. I like my lifestyle but I don't find it a risk to say, sure 1% of GDP for the poor. I view it as the least I could do, but I don't feel guilt from it and that's not the message or what the analysis suggests. I do feel we all should understand how blessed we are, how lucky we are and realise with a little bit of calm that we have more than enough and so we can devote some of our time, our energy, our neuron space, our goodwill, and our bank account to helping others without any sacrifice. In fact it will enrich our lives and help our children have more complete lives as well. That's where I think reducing the fear is, is key.

Other people might disagree with me. Do you know why? I'm not particularly in favour of giving aid to middle income countries, for example. They're much poorer than we are. We live with say 40,000 dollars per capita on average in our countries and a poor country might live with 5,000 dollars per capita. I'm relatively uninterested in transferring money from a 40,000 dollar per capita country to a 5,000 dollar per capita country. The reason is that the 5,000 dollar per capita country isn't really trapped in poverty. It can meet its basic needs, it can save for the future, it can adopt technology, it can train a generation, it can really catch up pretty quickly, like Taiwan, or South Korea or others or Singapore. It can make a lot of progress.

I'm looking at helping people to get on with real chances for their future, to meet their basic needs and to have the chance for dignified self help. I don't buy into the conservative rhetoric that everyone should just pick themselves up by their boot straps when they don't have boot straps, that everyone should tighten their belts when they don't have belts. This conservative rhetoric comes from people who don't know what they're talking about, when millions are dying because they don't even have enough to stay alive. That's where I focus my energies. Because once we help they'll also be able to get on their way.

I think we have time for one more question, yes.

Q Jeff I'm wondering how much emphasis you place on good management, good management of what's, in other words called, good governance within impoverished countries and I ask this because as someone who grew up in, who grew up in Africa, in an impoverished country, I.

A Which, which one by the way?

Q I grew up in Ghana, in Ghana.

A In Ghana?

Q Ghana, yes, West Africa. I tend to think that much of the program can be put down to mismanagement because most of, most of the countries actually have resources which managed well and I believe could lead to development.

A Mismanagement seems to be in epidemic proportions right now. Starting with Washington. They can't even find billions of dollars of Iraq oil money under the US occupation authority. The level of corruption of, of the US in recent years has been shocking. You see unbelievable incompetence in our government right now in the United States. But, here's the difference. Our economy is so robust and there's such a powerful technological capacity and there's so much wealth that actually we can withstand year after year after year of massive mis-governance. Right now and we are withstanding it. There's a share of mis-governance in Africa. But I've found over the last 25 years of working all over the world, that the amount of mis-governance in Africa is not really particularly different from the amount of misgovernance in a lot of Asia, for example. There is a lot of corruption in some of the fast growing East Asian, Southeast Asian and South Asian countries. But they grow a lot faster because they're out of the poverty trap.

So I'm all in favour of good governance but I'm not in favour of blaming Africa's problems mainly on bad governance. I'm in favour of putting the governance in perspective which is that Africa faces huge problems of malaria, AIDS, agriculture, lack of infrastructure, a colonial error that left Africa without any basic infrastructure at all. Colonial powers that actually went out of their way not to educate the African population so that when Ghana and other countries in Africa became independent, the number of college educated people was so small that it was extremely difficult to tackle the gargantuan problems facing the country at the start of independence.

Early on in the independence period, the Volta River was dammed and part of the electricity was dedicated to aluminium production of an American aluminium company. Now this was already more than 40 years ago. Here we are in 2007, and Ghana desperately needs electricity. Did you know that the American aluminium company still gets electricity about at one tenth the price that the Canadian company pays for its electricity, because the U.S. has lobbied for a completely ridiculous contract for this American company, year in and year out? When the Canadian government has said, we really need to negotiate this, they've been threatened over time by lobbyists in the United States, saying don't you dare, Ghana would suffer consequences if it renegotiated the price of this contract.

So when you get down to it, there's, there's plenty of tough stuff that goes on all over the world. Governance that isn't very pretty. As I said, we're spending a trillion dollars for the worse governance in the whole world right now: killing people in Iraq. That's bad governance and yet the problem is that when it comes to the poorest of the poor, we have

ways practically to help them right now, and we shouldn't let any diversion get in the way of that. One thing I want to say is I believe that aid has to be very rigorously managed. I don't believe in handing cash over to anybody, neither George W. Bush or any other President for that matter.

I believe in helping in very practical ways: fighting malaria, fighting AIDS, fighting TB, helping build clinics, helping pave roads, in measurable, manageable, auditable programs so that we're not taken for a ride by anybody. And I don't want to depend on the belief in the saintliness of anyone in these equations. But I do want to have very practical projects nationwide that you can follow and know where the bed nets are supposed to go, you can go to where the clinics are supposed to be built and my experience is that if you have timelines, accountability, audits, you get the results that you want. Not because people are saints but because you designed a system to constrain the bad governance and that's what I think we should do. Be very clever, not believe anyone's better or worse than anyone else but view the system that we create as the way to keep these governance issues in check.

It's a great pleasure to thank you Jeffrey for this morning. You've given us a narrative that makes simple but otherwise is quite mystifying and I think that narrative particularly addresses our fears that maybe we do get drawn into someone else's mess and we can't solve the problem anyway. I think it addresses our guilt, do we feel guilty about the way we live and those fears, those guilts certainly make us foggy in our thinking and I think the simple practical clear narrative has really been helpful. Can I remind you that this year is an election year. Had you noticed that? And in this country I think it's a very simple moral case. You and certainly I at World Vision didn't sign up to the millennium development goals, our government did. That's the global plan that Jeffrey's been referring to. They made the commitment. I didn't sign up to a promise of .7% and repeater at Monterey in 2002 and then in parliament when our foreign minister repeated it last year.

We would like to get there if economic circumstances allow. I didn't make that promise, our government did. The moral case for keeping our promises is very simple and I think the sheer decency with which Jeffrey has said, those who are poor aren't asking for all that we've got in fact their ask is so modest. In an election year when we've made the promise and we're not anywhere near it. In fact even with the increase in aid, you'll hear about a doubling of aid, the government has, is still less than the percentage of when it came to power in 1996. Aid was cut so dramatically that even with the doubling, and you'll hear a lot about that baby from the Howard government, it is still less, still less than 1996 as a percentage of GDP. That's how far behind we are. So far be it for me to be political. I work for an NGO, we're never political.

However the moral case of saying, as Jeffrey has put, it's decent, it's proper, we can deal with our own fears I think has been very, very soundly put and I thank you Jeffrey for getting up, I'm not sure what time of day it is, for being part of our breakfast and we wish you all the best. Thank you very much.

END TRANSCRIPT