



Book Common Wealth

Economics for a Crowded Planet

Jeffrey D. Sachs
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Recommendation

Famed economist Jeffrey Sachs manages to deliver pessimistic news in an optimistic way. Yes, the Earth faces dire threats from global warming, poverty, war, deforestation and mass extinctions. Yet Sachs asserts that these severe problems are manageable. Fixing them will cost \$840 billion – a massive amount indeed, but, as Sachs argues, only 2.4% of the rich world’s gross national product. Sachs doesn’t shy away from politically touchy pronouncements. He argues against the U.S. war in Iraq and for legalized abortion. Still, throughout the fray, his book strikes the unlikely balance of delivering a message that’s both frightening and promising. *BooksInShort* recommends this book to anyone seeking insight into the world’s most pressing problems.

Take-Aways

- As the world grows ever more crowded, chaotic and dangerous, the global ecology teeters on the brink of collapse.
- Humans are consuming the Earth’s resources at an unprecedented pace.
- Formerly poor nations – China, India and Brazil – are growing at a staggering rate, boosting incomes but also accelerating environmental damage.
- Nearly all population growth will occur in poor nations that are least able to absorb new arrivals.
- Human activity is changing the Earth’s climate.
- Slowing population growth in the developing world is crucial to restoring the Earth’s balance.
- Water is an increasingly scarce resource, and more and more a source of strife.
- Meat is an inefficient, environmentally damaging way to feed the world.
- The outlook is dire, but some reasons for optimism still exist: Humanity can fix the globe’s problems.
- Redirecting the Earth so it can be healthier and less chaotic would require an investment of only 2.4% of the rich world’s gross national product.

Summary

The World’s Economy and Ecology Teeter on the Brink

The world has become an ever-more crowded, chaotic and dangerous place. Global populations are soaring, particularly in poor nations least able to feed and support burgeoning numbers of people. The global ecology is teetering near collapse. The global balance of power is shifting. As the 20th century marked the end of European dominance, this century will see the end of U.S. hegemony. China, India and Brazil are emerging as world powers. And America’s misguided forays into Vietnam and Iraq have proven the folly of unilateral decision making based on brute force. As things now stand, the world easily could plunge into a toxic brew of bloody conflict, abject poverty, natural disasters and widespread suffering.

“The defining challenge of the 21st century will be to face the reality that humanity shares a common fate on a crowded planet.”

To avoid this fate – which is likely if the world continues on its current path – world leaders must accept the fact that everyone on the planet shares the same plight. Rich nations can no longer ignore poor nations. The free market is no longer the best and only solution. Unfortunately, the risks are grave. Fortunately, solutions are at hand. Climate change and planetary catastrophes loom, yet sustainable systems for energy and development are available. The world’s population is exploding, yet simple

cuts in fertility rates would stabilize the numbers. Many millions live in abject poverty, yet modest investments by rich countries would end the “poverty trap.” The planet faces six “Earth-changing trends”:

1. **Poorer countries are getting richer** – The income gap between Europe and North America and the rest of the world is “converging.” Developed economies are growing slowly, but the economies of China, India and Brazil are booming.
2. **The world’s 6.6 billion population continues to grow** – That figure needs to stabilize at eight billion by 2050.
3. **Most people now live in cities** – The poor are leaving farms and crowding into cities.
4. **Asia will see the fastest growth** – The balance of economic power will shift from the Western Hemisphere to the Eastern Hemisphere.
5. **Human activity will keep altering the world’s ecology** – Human actions have caused global warming. On this crowded planet, each person’s decisions affect the natural world.
6. **The gap between the world’s richest and poorest will continue to widen** – While some nations boom, millions of people barely subsist in sub-Saharan Africa.

Dwindling Resources

Humanity is depleting the Earth’s resources at a staggering pace. Using water, land and fossil fuels at the current rate is unsustainable and foolish. Yet there’s also a silver lining. By adjusting the use of natural resources, people can ration the Earth’s scarce resources for centuries. Consider fossil fuels. Traditional sources (oil, coal, natural gas) are finite, but they aren’t the only sources. The Earth holds vast stores of tar sands and oil shale, and the technology already exists to use them. The depletion of natural resources isn’t a new story in human history. Some 11,000 years ago, Native Americans hunted mammoths, horses and bison to extinction. The animals’ disappearance stalled the indigenous people’s population growth. With no horsepower, they had to survive by their own toil, so other parts of the world far outpaced their economic development. Today, humankind is repeating the Native Americans’ mistakes. As people have become richer, they’ve demanded more space and better diets. They cleared huge swaths of ecologically crucial land for cattle pastures. People are consuming far more scarce resources than they should.

“Human activity is...devoted quite explicitly to ensuring that habitat, water supply, nutrient flows and introduced species all serve human needs rather than the needs of other species.”

Water is a particularly important dwindling resource. Once-great rivers, such as the Yellow, Ganges and Rio Grande, no longer reach their erstwhile destinations. Global warming promises to worsen the globe’s water woes. Wet tropical areas will grow even wetter as heavier rains cause flooding. Dry areas will grow drier, and droughts will be more severe. It is no coincidence that some of the world’s poorest, least stable areas lack water. The Horn of Africa – Somalia, Ethiopia, parts of Kenya – has been such a bloody region, in part because water and food are so scarce. Israelis and Palestinians also have begun to battle over water, and shortages will continue to plague the Middle East, Central Asia, the northern China Plain and America’s southwest.

“We are...crowded into an interconnected society of global trade, migration and ideas, but also risks of pandemic diseases, terror, refugee movements and conflicts.”

Huge numbers of humans are taking a toll on the Earth in other ways. Fish are disappearing. Land animals are being squeezed out of existence. Wetlands are falling victim to “desertification.” Taking six steps could preserve much-needed biodiversity:

1. **Protect habitats** – Create more national parks and habitats, protected marine areas and even privately run ecotourism sites.
2. **Avoid deforestation** – When the world buys lumber from the Amazonian rainforest, it tells Brazil that it values deforestation. Instead, the developed world should pay poor countries not to cut down their trees. While the Kyoto treaty lets nations get paid for replanting forests, they have no incentive to avoid harvesting trees in the first place.
3. **Improve farm yields** – Unwise farming practices consume more land than necessary. More productive farmland means fewer hectares cleared for crops, thus striking a balance between immediate food needs and longer-term ecological needs.
4. **Fertilize more carefully** – Much of the fertilizer applied to crops is wasted. It runs off, creating fish-threatening algae blooms. Using underground fertilizer application methods would avoid much of the waste and environmental damage.
5. **Eat less meat** – The citizens of a richer world want to eat meat, but meat is an inefficient way to deliver nutrition. Cattle consume vast vegetation. Producing one kilogram of meat requires feeding 13 kilograms of grains to a cow. The price of meat does not reflect this reality. Replacing meat with vegetable proteins is environmentally friendly – and a wise public-health move, given the developed world’s epidemic of obesity and diabetes.
6. **Embrace fish farming** – Marine fisheries are severely depleted, but commercial fishermen keep using destructive practices. Just as India’s “green revolution” raised living standards, the world needs a blue revolution to increase fish farming.

Slowing the Population Boom

So many people are using unprecedented amounts of resources that they are depleting the planet’s natural provisions, from water to trees and beyond. To slow this rapid depletion, world leaders must slow population growth. Whether this is possible is a matter of constant debate. “Population optimists” argue that human ingenuity and technological innovation will allow the globe to adapt to an endless number of people. “Population pessimists” believe the only way for humans to survive is to continue to plunder and pillage the planet. Between them are those who realize that humankind can manipulate and ration natural resources and survive, but only by slowing the depletion of the Earth’s resources and the explosion in population.

“The goals are achievable...and at vastly lower cost and vastly greater benefit than is currently imagined.”

The developed world no longer is adding population. Fertility rates have declined to the point that its populations will hold steady. But populations continue to balloon in the poor world. Nine proven factors can slow population growth:

1. **Low infant mortality rates** – When babies are likely to die, parents have more children to ensure that some survive. But, when they know their babies will live, parents have fewer children.

2. **Schooling for girls** – Birth rates plummet when girls attend secondary schools. This education must suggest to girls that they don't need to have babies early and often.
3. **Legal protection for women** – In societies with lower fertility rates, women have greater opportunities to become educated, find jobs and secure financing for entrepreneurial ventures. As women become breadwinners, they have fewer children. Economic viability and further education also reduce domestic violence.
4. **Reproductive health services** – In very poor countries, even couples who'd prefer not to raise large families have little alternative. Without contraception and knowledge of family planning, families cannot reduce their birth rates.
5. **More productive farms** – When subsistence farms yield more, the farmer (in Africa, that is usually the woman of the family) is more motivated to focus on farming and to invest in her children, and less likely to have a big family.
6. **A move to cities** – Children are assets to farm families who value labor. In cities, children become a liability.
7. **Legal abortion** – Nations with legalized abortion see lower fertility rates and lower mortality rates for women who die from illegal abortions.
8. **Pension plans** – Poor parents have many children to support them in old age. When people know the government will support them as elders, fertility rates fall.
9. **Social mores** – In societies that expect women to begin having children at a young age, that is what women do. But public leaders can reduce fertility rates by helping to shift cultural values away from having large families, particularly with very young mothers.

Paying the Bill To Fix the World's Problems

Solving the woes of climate change, environmental degradation and extreme poverty won't be easy or cheap. But the solutions are in humankind's grasp – and in the developed world's budget. The rich world generates a gross national product of \$35 trillion. Using only a tiny percentage of those riches would essentially fix the globe's problems. Here's the tab:

- **Slowing climate change by adopting sustainable energy** – 1% of the rich world's GNP, for a total of \$350 billion, and 0.5% of poor countries' GNP.
- **Help poor lands with climate change** – 0.2% of rich nations' GNP, \$70 billion.
- **Conservation areas for biodiversity** – 0.1% of rich countries' GNP, \$35 billion.
- **Fighting "desertification" with water management in poor areas** – 0.1% of rich countries' GNP, \$35 billion.
- **Slowing population growth via wider access to reproductive health care** – 0.1% of rich countries' GNP, \$35 billion.
- **Science for sustainable development** – 0.2% of rich countries' GNP, \$70 billion.
- **Aid to help the poorest countries out of "the poverty trap"** – 0.7% of rich countries' GNP, \$245 billion.
- **Total** – 2.4% of rich countries' GNP, \$840 billion.

"When countries are struggling to break free of extreme poverty, the role of the state is clear: to help the population meet basic needs...to invest in agriculture and...core infrastructure...to provide the foundations for private-sector-led economic growth."

In political terms, that's a huge figure. But considering what's at stake – the survival of humanity – the price tag seems affordable indeed. Opponents of any solutions to climate change, environmental degradation and runaway population growth will make countless arguments against any efforts to address these issues. Their arguments inevitably sound three themes. First, "futility," that the problem can't be solved. Second, "perversity," the idea that trying to fix these problems can only make them worse. And third, "jeopardy," that devoting resources to these issues will take attention and money away from other, more important priorities. Don't be swayed by these pessimistic mindsets. These issues can and must be addressed, for the sake of humanity.

"Social insurance expands the concept of social protections beyond the most basic needs to include universal access to...health services...education...unemployment insurance...old-age pensions...insurance against various natural hazards and income transfers to households in the event of job loss, disability or extreme poverty for other reasons."

You can do eight things to make a difference in fixing the world's woes:

1. **Learn** – Read journals such as *Nature*, *Science* and *New Scientist*. Take courses. Educate yourself about climate change, population growth and politics.
2. **Travel** – Expose yourself to other people and the problems they face. Travel will remind you that everyone's fate is interconnected.
3. **Start or join an organization** – Whether your aim is to stop the spread of malaria, improve public health or pursue any of a number of other worthy goals, get involved through an organization of like-minded individuals.
4. **Inspire others** – Spread the word about your cause in a way that gets others to act.
5. **Use social networking sites** – The Internet can bring people together.
6. **Hold politicians accountable** – Make certain your elected officials live up to their responsibilities to address these issues.
7. **Take the message to work** – Become a voice for responsible business practices at your place of employment.
8. **Live the values you espouse** – Make decisions in your personal life that reflect your commitment to sustainability.

About the Author

Internationally known economist **Jeffrey Sachs** directs The Earth Institute at Columbia University. He's a special adviser to United Nations Secretary-General Ban Ki-moon on the U.N.'s Millennium Development Goals. Sachs also wrote *The End of Poverty*.