

More aid – and more opportunities – for poor countries

Klaus M. Leisinger, president and CEO of the Novartis Foundation for Sustainable Development, and Jeffrey D. Sachs, director of the Earth Institute and UN special advisor, are convinced that many tools are available for successful development assistance. The question is how to use them properly.

UN Global Compact

The UN Global Compact is centered on 10 principles in the areas of human rights, labor standards, the environment and anti-corruption, which are based on the provisions and declarations of the United Nations and its constituent organizations.

In joining the UN Global Compact, a company underscores its intention to implement these 10 principles as far as possible. Novartis was one of the first companies to sign up to the Global Compact. The organization now has more than 2700 members.

→ www.unglobalcompact.org

Social responsibility and corporate citizenship are not simply buzzwords for Novartis, but instead a commitment – to associates, partners and patients alike – put into practice every day. One example is the Novartis Foundation for Sustainable Development, which works together with leading public-sector and private organizations to improve the health of people in the Third World – investing some CHF 10 million each year. During the 8th symposium of the foundation, *live* met with Klaus M. Leisinger, who heads the foundation, and the renowned economist and UN special advisor Jeffrey D. Sachs to discuss the future of development assistance efforts.

Professor Leisinger, in your opening address to the 8th Symposium of the Novartis Foundation you said, “If not now, then when are we going to overcome poverty?” Why do you believe that this is possible now in particular?

Klaus M. Leisinger: Our generation is the first to have the requisite knowledge and the necessary resources. It is up to us to mobilize the proper political will, to correctly analyze the problems to be tackled and to make strategic use of the available expertise. Then we can change this world for the better, one step at a time.

Jeffrey D. Sachs: Be it in medicine, agriculture or water supplies, there are any number of examples of successful development aid. And they all have one thing in common – they are based on practical and proven technologies. Often, however, these measures are taken on far too small a scale and only reach 5 to 10 percent of the people who need them.

There are tried-and-tested recipes then. They just need to be consistently applied?

Leisinger: Precisely. There is no point in every partner in the development assistance process reinventing the wheel. It is much more a matter of bringing the right partners and their respective competencies together, thus forming a potent whole and creating synergies. In doing so, we not only

save money, we also save time. Time in which thousands of children would otherwise die without making the headlines in the media.

Professor Sachs, as director of the UN Millennium Project, can you tell us what progress has been made since it was launched in 2000?

Sachs: Under this project, the UN and thus all its member states have undertaken to make improvements worldwide in eight areas such as

“Rather than reinventing the wheel, partners should pool their competencies.”

Klaus M. Leisinger



Jeffrey D. Sachs (l.) and Klaus M. Leisinger call for a sound division of labor among governments, NGOs and business in the field of development assistance.

combating poverty, the provision of healthcare, education or environmental protection. Over the past few years, we have identified specific approaches and tools for achieving these goals. However, one thing is quite clear: not one of these improvements comes for free. The rich countries must be prepared to make real investments. The amazing thing is that if they would just invest 0.7 percent of their annual gross national product in development assistance, the goals of the UN Millennium Project could be achieved.

So it is up to the politicians to act then. But how willing are businesses to make a commitment in this regard?

Sachs: Many companies are seriously engaged in the battle against poverty, leading to enormous successes and also raising the profile of the companies in question. Such commitments are great for the world, and great for business.

Leisinger: But even more could be done. Just imagine if all pharmaceutical companies were to

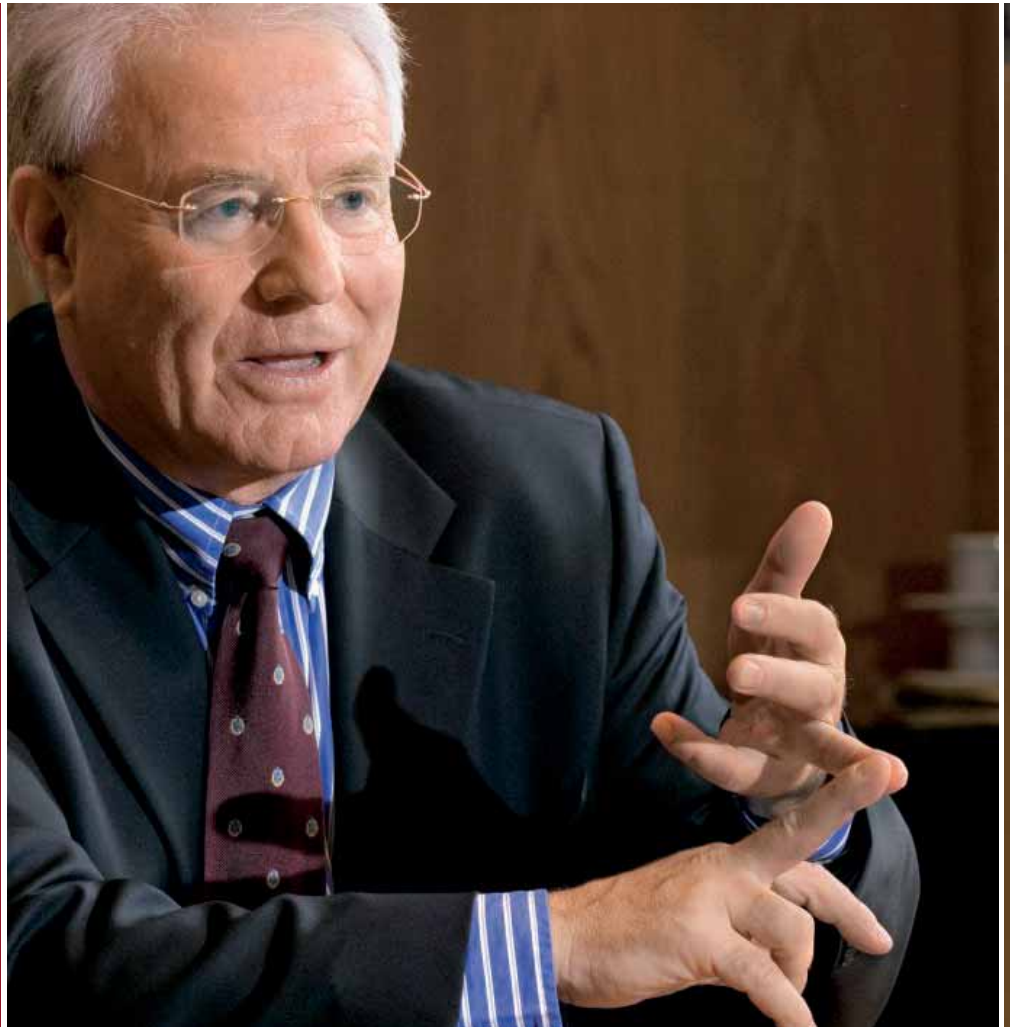
Klaus M. Leisinger and Jeffrey D. Sachs: two men fighting poverty

Klaus M. Leisinger is president and CEO of the Novartis Foundation for Sustainable Development. In addition to his activities at Novartis, he is professor of sociology at the University of Basel and teaches as a guest professor at numerous other universities worldwide in fields including international development policy and cooperation. Klaus Leisinger has held advisory positions in a number of national and international organizations, such as the United Nations Development Program (UNDP) and the World Bank. In September 2005, Kofi Annan appointed Klaus M. Leisinger as special advisor to the United Nations Secretary-General on the UN Global Compact.

→ www.novartisfoundation.com

Jeffrey D. Sachs is the director of the Earth Institute at Columbia University, professor of sustainable development and professor of health policy and management at Columbia University, and special advisor to the UN on the Millennium Development Goals. In the 1980s and 1990s, he served as an economic advisor for various countries. Since 1995, he has focused on the problems of Africa in particular. In his latest book "The End of Poverty: Economic Possibilities for Our Time," published in 2005, Sachs provides a powerful account of his trips to Africa and outlines his personal recipes for successful development assistance.

→ www.earth.columbia.edu



Klaus M. Leisinger: "Companies should compete in the area of corporate philanthropy."

UN Millennium Project

At the Millennium Summit in 2000, 189 UN member states passed a joint declaration to halve extreme poverty in the world by 2015. They also defined eight so-called Millennium Development Goals in the areas of fighting poverty, education, gender equality, medical provision and environmental protection.

→ www.unmillenniumproject.org

show the same commitment as Novartis. We have cured more than four million leprosy patients thanks to free medicines, we provide the World Health Organization with the innovative malaria treatment Coartem® at less than cost price, and operate the Novartis Institute for Tropical Diseases in Singapore and the Foundation for Sustainable Development. Companies should also compete in the areas of corporate citizenship and corporate philanthropy. They should channel their products, technologies and business expertise into development assistance – this would have an enormously positive effect.

Sachs: This business approach in particular is a valuable contribution. Companies are only successful if they have a business plan and are committed to economic viability. Their primary focus is on results and how to achieve them. It should be exactly the same in the case of development aid.

So the other development assistance partners can learn from the private sector?

Sachs: Absolutely. And every partner has its own skills and responsibilities. NGOs are often effective at mobilizing volunteers. Governments have to be supported if the aid is to reach the people. And the private sector contributes to successful outcomes with its products and its insistence on cost effectiveness and efficiency.

Leisinger: NGOs can do things that companies can't, and vice versa – and together the two parties can achieve more than they each could on their own.

One approach for such aid is to provide medicines in poor countries free of charge. What is your opinion on this?

Sachs: The world's poorest countries are simply not able to finance even basic medical provision for their populations. So I regard it as the responsibility of the global community as a whole to provide access to basic health services. Or in other words, the rich countries must finance these services in the poorest countries. The USD 30 billion



Jeffrey D. Sachs: "Basic medical services for all is the responsibility of the global community as a whole."

required to do so each year would be a small price to pay to prevent instability, the spread of disease and humanitarian tragedies.

Leisinger: Incidentally, this money is available in many cases but is spent on other things, for example on the armed forces of countries that are not at war and do not have aggressive neighbors. But it is not just a matter of

the rich North giving more to developing countries – they should also take less from them.

You are referring to agricultural subsidies, for example.

Leisinger: Exactly. Agriculture in industrialized countries is so heavily subsidized that their products are cheaper on the markets in developing

nations than those produced locally. We are thus depriving the poorest people of opportunities to earn their own income and to contribute to economic development in their own countries.

"We should not be afraid of fighting poverty as we can overcome this challenge."

Jeffrey D. Sachs

So instead of opening our eyes to the plight of others, globalization is concentrating our attention even more on our own interests?

Sachs: With its numerous problems and conflicts, the world has become a complicated and even a threatening place for many people. But the challenge of fighting poverty should not be frightening because this problem is solvable. And it can be solved with relatively modest financial resources. It is up to the partners in the development assistance field to show people that we have

the tools to achieve this. Once they realize this, they are often willing to make a substantial commitment.

Leisinger: Let me add something on the subject of globalization. Globalization has lifted 400 million people out of absolute poverty in Asia. Why has this not happened in Africa? The problem, in fact, is that globalization is not taking place on that continent. People in Africa are not less intelligent or less hard-working than anywhere else. They have had fewer chances to profit from global opportunities. The local governments have to get their houses in order in terms of good governance, and the industrialized nations have to help create the conditions that would also allow Africa to successfully participate in economic globalization.

INTERVIEW: RWE