The New York Times
nytimes.com

November 29, 2002

For an Economic Proselytizer, Another Highly Visible Pulpit; Attention, Good and Bad, Follows Jeffrey Sachs

By DANIEL ALTMAN

Almost from the day he received tenure in the Harvard economics department at the extraordinarily young age of 28, Jeffrey D. Sachs has forged a reputation as a professor who much prefers practicing and preaching to theorizing. He brought that outlook with him when he moved to Columbia University recently. The Ivy League has never meant an ivory tower to him.

Besides running a research center with 1,000 employees, giving lectures and advising students, he campaigns for medical aid to poor countries, helps the secretary general of the United Nations with economic development strategies and advises heads of state and government on financial policies. Oh, yes -- he also hangs out with rock stars.

But some people who have followed his work closely say they think that his real brilliance is in public relations. His attempts to fix crises abroad and influence policies for development have consistently directed the attention of experts and ordinary people to pressing economic problems. So by bringing Professor Sachs on board last summer, Columbia has guaranteed itself a bigger voice -- if a controversial one -- on the world stage.

"He appears to distance himself from things he's done that are not perceived as success stories and cozy up to those that were, after the fact, seen as successful," said Janine R. Wedel, associate professor of public policy at George Mason University in Arlington, Va. She studied Professor Sachs in action when he was advising governments in Eastern Europe.

Moreover, Professor Wedel said, it has not always been clear whom he was representing at a given time -- his own consulting firm, Harvard, international financial institutions, the United States or a local government. Nor has it been clear where all of his financing has come from or how he has spent it.

"Such ambiguity of roles, as Sachs and others like him have, doesn't serve well the people who are getting advice and don't know the motives and income sources of the consultants who are providing it," she said. "And the shifting mix of roles certainly doesn't serve well those donors or governments who are trying to provide impartial advice."

No one, including Professor Wedel, doubts Professor Sachs's brilliance and determination, and even his harshest critics say that he often gets results. As a prominent advocate for the problems of poor countries, he has been hailed as a visionary even while being criticized as a showboat.

"He's a passionate person," said Nancy Birdsall, president of the Center for Global Development, a policy research group in Washington of which Professor Sachs is a director, "and what I like about it is that the passion is mixed with some real deep understanding. Usually, in the nongovernmental organization community, we have people who are very softhearted, but they lack that hardheadedness."

Professor Sachs began his career as an innovative expert on international economics in the early 1980's. Once he received tenure at Harvard, he shifted his attention from theory to practice, traveling extensively to advise

countries in economic crisis. Then he became director of a Harvard research institute and a leading proponent of debt relief for poor countries.

Now he is director of the Earth Institute at Columbia and a professor with appointments in three of the university's schools. He is also an economics adviser to at least a half-dozen countries, a point man on development for Secretary General Kofi Annan at the United Nations and a tireless advocate for big injections of foreign aid to fight AIDS, malaria and other diseases that ravage poor countries.

Professor Sachs's reputation as an academic economist and as a savior for countries in economic distress has eroded since its peak a decade ago. At that time, he was the best-known advocate of economic "shock therapy" for former Soviet-bloc nations -- a rapid, often painful, transition to minimally regulated capitalism. Despite a record others may call mixed, he still maintains that a barnstormer like him is crucial to victory in the good fight.

"It's the essence of what I do," Professor Sachs said of his work with Mr. Annan and Bono, the singer who lobbies for aid to developing nations, and of his visits to two or three foreign capitals a month. "I could not figure out anything that I really need to understand without doing it also. You can't do all that you need to do in understanding economics sitting in an office."

That philosophy took hold early in his life. Growing up in the volatile Detroit of the 1960's, with a father working as a lawyer for organized labor, he quickly became attuned to social issues and the plight of the less fortunate.

His early academic work, however, focused on international finance and business cycles -- topics important to economic well-being, but only distantly relevant to grass-roots efforts to fight poverty. He received tenure at Harvard in 1983, just three years after joining the faculty.

At first, he kept up a torrid pace of publishing in the competitively refereed volumes of academic economics' top journals. Within a few semesters of receiving tenure, however, he slowed down in that area, and eventually stopped.

By 1985, he had found a new, more exciting occupation: country doctor. That is, a doctor for countries.

In July 1985, he arrived in Bolivia to advise the government on how to quell its inflation, which was running at one of the fastest paces the world had ever witnessed.

"As I was stepping off the plane, I was a young hotshot tenured professor at Harvard," he said. "I thought I knew a lot." After one glance around, he said, "I realized how little I knew."

Professor Sachs helped Bolivia stabilize its prices, but he soon found out that other countries would not succeed so easily. Other Latin American countries that he advised in the 1980's, including Argentina, Brazil and Ecuador, continue to tilt in and out of financial crises. On the other hand, Estonia, Slovenia and Poland -- the last after several years of significant hardship -- became stable market economies after shock-therapy treatments.

But Russia, where he worked from 1991 to 1994, was too riddled by crime, corruption and political rifts to respond to such policies as quickly as its former satellites, experts now agree. Instead, living standards dropped by half in Russia during the three years that Professor Sachs advised President Boris Yeltsin.

Professor Sachs's prestige in academic circles suffered with time, too.

"He got this reputation of trying to be too influential in policy-making and not taking firm ground in the academic literature," said Thierry Verdier, who directs the economics institute at the École Normale Supérieure,

a top French university, and runs the program on international trade at the Center for Economic Policy Research in London.

Questions about academic rigor have sprung up in the midst of Professor Sachs's latest campaign, which seeks a substantial increase in foreign aid for disease-fighting drugs and other public health measures for poor countries.

A report drafted by a committee he led contended that spending $101 billion on health would save eight million lives a year and lead to additional annual income gains of $186 billion. Vaccines and preventive measures costing just $40 a year per person, the report argued, would pay vast dividends in poor countries around the world. Yet the confidence with which the report made those claims, experts later commented, was not backed by the kind of airtight statistics that most economic and medical journals demand.

In response, Professor Sachs said that his job was to convince policy makers of the orders of magnitude involved, if not the exact numbers. "How sure am I that it's $40 rather than $50, or that you'll save eight million lives rather than seven million? Not sure at all," he said. "But I am sure that the returns are so vast compared to the costs that it's worth doing."

That contention has elicited a spectrum of reactions from inspiration to frustration among other advocates for development.

Stewart J. Paperin, executive vice president of the Open Society Institute, a development group founded by the financier George Soros, said he was thrilled by Professor Sachs's approach. "He has done a great service to the profession by beginning to frame the dialogue not in terms of good versus bad, but in terms of relative payback on investment," Mr. Paperin said. "No one else has done that."

Richard G. A. Feachem, executive director of the Global Fund to Fight AIDS, Tuberculosis and Malaria, also applauded Professor Sachs's campaigning, but he stressed that any large-scale aid would have to start small. "That's not an argument against a big, bold program," he said, "it's just noting that you can't go from A to B overnight."

Debating with doctors and donors about disease control has been a departure for Professor Sachs, who previously stuck to standard economic topics like debt and market institutions. Now his horizons are expanding even further, to encompass every aspect of the planet.

The Earth Institute at Columbia, which he has directed since July 1, has hundreds of geochemists, engineers, biologists, ecologists and others working in settings ranging from the Iquitos flood plain in Peru to the Arctic Circle. Its affiliates include only 10 or 20 economists, Professor Sachs estimated. The institute's new mandate, he said, is to pursue strategies for sustainable development: increasing prosperity, especially for the poor, without threatening the planet's future.

Professor Sachs has headed big organizations before. He once simultaneously ran Harvard's Center for International Development and its much bigger counterpart, the Harvard Institute for International Development. The center focuses on academic programs in international development, while the institute, which closed shortly after Professor Sachs left it, solicited public and private grants worth millions to provide economic advice around the world.

In 1999, he quit the institute at a time of crisis. Its budget had grown to $40 million, eclipsing spending by Harvard's schools in the fields of dentistry, design, divinity and education. Part of that money, from the federal government, was to help Russia develop capital markets and new commercial and civil laws. But Washington cut off its support in 1997 after it claimed to have discovered that senior advisers whom Professor Sachs had supervised (and later fired) were speculating in Russian securities even as they were advising the government

on economic policy. According to former colleagues, problems with Professor Sachs's management style, rather than these events, led to his departure.

Wallace S. Broecker, a climatologist and 44-year veteran of Columbia's faculty who serves on the Earth Institute's academic advisory committee, said he felt comfortable having a renowned economist at the top. Professor Sachs's hiring, he said, was meant to bridge the gap between the social and natural sciences. In addition, he said, Professor Sachs brings enormous energy to the job.

Professor Sachs's tenacity is the one trait about which his newest and oldest colleagues -- and his most devoted supporters and most outspoken critics -- can agree.

"He's a controversial figure, and he's polemical in public -- those two facts go together -- but he is strongly and deeply motivated by the desire to use economics to make the world a better place," said Barry J. Eichengreen, a professor of economics and political science at the University of California at Berkeley who taught alongside Professor Sachs at Harvard in the early 1980's. "He is as strongly motivated to do that as anyone I know in the profession."

3 Global Policy Superstars Sharing Turf at Columbia

With Jagdish N. Bhagwati, Jeffrey D. Sachs and Joseph E. Stiglitz, Columbia University has an unmatched trio of prominent voices in the debate on globalization and economic development. Yet these three men have not had much to do with one another in public, either by debating their differences or joining forces to push for change.

Professor Bhagwati, who holds posts at several prominent organizations, including Human Rights Watch and the World Trade Organization, spends most of his time in the economics department, where he answers his own phone, or at the nearby Council on Foreign Relations.

Professor Stiglitz, a Nobel laureate who is reachable only by sending e-mail to a member of his staff, heads the Initiative for Policy Dialogue, a group he founded to explore alternatives for economic policy in developing countries.

Professor Sachs, besides his duties advising foreign governments and the United Nations, heads a multimillion-dollar institute that studies all aspects of economic, environmental, technological and social development. He can be reached by phone, but his contacts are screened by a public relations specialist.

When asked if the three would interact more in the future, Professor Sachs said he hoped that they would. Professors Bhagwati and Stiglitz both issued prepared statements to the same effect.