

## **Laudatio**

in honour of

Prof. **Jeffrey D. Sachs**

Columbia University New York

with the occasion of the awarding ceremony

### **Doctor Honoris Causa**

Dear Prof. Jeffrey Sachs,

Dear President of the Senat,

Dear Guests,

I am very privileged to introduce at this solemn occasion the academic achievements of such a distinguished guest. A native of Detroit, Michigan, and former scholar and professor at Harvard University, Jeffrey Sachs is currently Director of the Earth Institute at Columbia University New York, Quetelet Professor of Sustainable Development at Columbia's School of International and Public Affairs, Professor of Health Policy and Management at Columbia's School of Public Health, and among many affiliations he is Special Advisor to the United Nations Secretary-General Antonio Guterres. He is not only a highly accomplished macroeconomist, but leader in the field of sustainable development as well. He combines academic excellence and public engagement, values for which our university is highly committed. For more than a quarter century he has advised dozens of heads of state and governments on economic strategy, in many regions, including CEE.

In the following 15 minutes I have almost an impossible mission, to highlight the major professional contributions of prof. Sachs. I have selected three major topics of interest for today's ceremony: 1. economic development and geography 2. sustainable development, 3. health policy and management.

1. The basic question of the relationship between ***economic development and geography*** is why certain nations, regions or cities are poor while others are rich? My favorite example is Haiti and the Dominican Republic, two states sharing the same island, Hispaniola, with similar geographical conditions but with different economic performances. Prof. Sachs produced in the ninety ninetens several studies where he has developed a powerful explanation to

such intriguing and sensitive questions. Based on a cross-country regression model for economic growth, he identified three main factors determining slow economic growth in Sub-Saharan Africa: poor economic policies, lack of openness to international markets, and geography. Among the latter three hindering factors are mentioned: lack of access to the sea, natural resource abundance, and tropical climate. Furthermore, geography seems to be a factor in the choice of economic policy itself. In the same time Sachs argues that there is no need for a special African theory of underdevelopment, the same results are valid for other continents as well. With other words Africa is not structurally incapable of higher economic growth. Further research should address the complex interplay among geography, demography, health and economic performance.

In the same year, 1999, Sachs and Rodriguez are arguing that resource-poor economies tend to outperform resource rich ones, and that resource abundance was an important determinant of economic failure, with the most striking examples of oil-exporting countries like Algeria or Venezuela. Indeed, there is considerable controversy regarding the role that natural resources play in economic development. Some studies consider them catalyst of development other studies consider they create unhealthy economic dependence. One explanation is that greater resource abundance can lead economies to shift away from competitive manufacturing sectors where many externalities necessary for growth are generated. Other explanations are related to the management of the resource based development which must be able to generate rent large amounts of resources are put in the hands of the state, which has wasted the rents through inappropriate spending and investment. Sachs offers a third alternative explanation: resource-rich countries may grow slowly because they are likely to be living beyond their means. This is because natural resource industries cannot expand at the same rate as other industries, relying on exhaustible factors of production.

2. During the last few decades the term of SD has made an extraordinary rise to fame from the fringes to the mainstream. A decisive contribution to this was made by our distinguished guest. He's understanding of sustainable development is beyond the conventions, stating that it is in the same time a highly complex phenomena including economic development, social fairness and environmental sustainability, and as a fundamental organizing principle for global development. We have entered the Age of Sustainable Development, argues prof. Sachs in his recent book, published in 2015 with the same title. It is an age labelled by geologists and geographers as a new epoch called anthropocene characterised by a huge human impact on the stratigraphy and ecosystems of the Earth. He is convinced that good public policy and good economics can be performed only if some clear objectives, goals are set up for the long run, and that transcend administration and electoral cycles. Such goals are represented by the 17 SDGs (as part of the 2030 Agenda for Sustainable Development) adopted by all member states of the United Nations at the UN Sustainable Development Summit on 25 September 2015, opened by Pope Francis, who's concept of integral ecology is very close to the concept of SD. They continue the work started in 2000 with the adoption of the MDGs. With the leadership of Prof. Sachs the Sustainable Development Solutions Network

(SDSN) under the auspices of UN Secretary-General is mobilizing scientific and technical expertise for supporting the implementation of Agenda 2030, including the Paris Agenda for climate change in all countries. During 2016 countries have started the process of applying the SDGs to their local needs. In an article published in Nature the team of prof. Sachs has proposed in 2017 an SDG index and Dashboards as analytical tools for assessing countries baselines for SDGs. They synthesize available country-level data for all 17 goals and for each country estimate the size of gap towards achieving the SDGs.

In the period preceeding the adoption of the SDGs, prof. Sachs was Special Advisor to UN Secretary General Kofi Annan and Ban Ki-moon on MDGs. One of its main achievements is represented by the ***reduction of extreme human poverty in Africa***. Today it seems to be one of the success stories of developmental aid. The UN official reports, various studies realized by prof. Sachs are bringing plenty of empirical evidence that African poverty is falling rapidly, the majority of African countries have reached the Millennium Development Goal (MDG), while African inequality is decreasing since 1995. All African countries, including those with disadvantageous geography or history, regardless if landlocked or coastal, mineral-rich or mineral-poor, favorable or unfavorable agriculture, colonial history, position in slave trade, have experienced significant reductions on poverty.

**3. Public Health.** Much of the work related to the implementation of the MDGs was related to public health: directly like under-nutrition, child and maternal survival and control of pandemic diseases, or indirectly like reduced poverty, gender equality, school completion, environmental sustainability. Despite continued shortfalls in global aiding the MDG investments combined with important technological advances in the delivery of primary health care led to significant improvements in health conditions in all regions. The conceptual framework that has guided the work of prof. Sachs builds on the close association of poverty and poor health. Health and wealth are tightly linked. Moreover, good health is viewed by Sachs as central to well-being.

In opposition to many economists Sachs called for public investments in health “in advance” of overall economic improvement and views improved health as a way to help unlock the poverty trap. These early investments in public health are seen as part of an overall public investment programme that includes also other elements like smallholder farming, education, roads and environment. An example for this integrated public investment approach is represented by the Millenium Village Project pursued in ten African countries. The MDG picture for health is described by Sachs as one of conditional optimism, progress being made in creating primary health systems, deploying new technologies, introducing human-resource strategies and mobilizing new financing. The most pressing challenge is to close the remaining financial gap to enable universal access to a primary-health system in every low-income country. In a recent paper published last year in Science, Sachs and Schmidt-Taub have proposed the GF (Global Fund to fight AIDS, TB, and Malaria) as a template for further funding of research, development and scale-up of interventions in both health and non-health areas of the SDGs. In the previous 15 years GF had disbursed #35 billion, one of the largest development health aid of the world.

Soon, on 14<sup>th</sup> of March we celebrate the International Day of Happiness, when the ***World Happiness Report 2017***, a landmark survey of the state of global happiness, will be released. It ranks 155 countries by their happiness levels, prof. Sachs being one major contributor to it, in his role of co-editor. It will be the fifth report to come out since 2012, and it continues to gain global recognition as governments, organizations and civil society increasingly use happiness indicators to inform their policy-making decisions.

Jeffrey Sachs is among the few economists who have assumed the role of policy intellectuals and public intellectuals, who has mobilized and applied in an unprecedented way the resources and methods of science to the pressing problems of humanity, who challenged politicians and policymakers to see the development process in a new light, who presented new approaches to local and global problems, sometimes in a provocative, risky way but always on the ground of public interest.

For these reasons it is a great honor for us that prof. Sachs has accepted the Doctor Honoris Causa award. Thank you prof. Sachs!

Cluj, 9th of March 2018

Prof. Jozsef Benedek