



The Forbes 400

## The Forbes One Billion

Jeffrey Sachs 10.08.07

The FORBES ranking of the superrich is a valuable and entertaining public service. But it's missing something. We need a Forbes One Billion for the other end of the scale--the superpoor.

If journalists spent as much time studying the lives of the poor as they do gazing at the rich, it would help us all keep our heads on straight. We would marvel at a world economy strange enough to sustain such gaps. We'd learn not to blame the rich for the poverty of the poor, but we'd also learn not to blame the poor themselves. Blame is a primitive response. Entrepreneurship is a much better one. The Forbes 400 could do an amazing job to help The Forbes One Billion into the world economy.

A Forbes One Billion might seem a tad out of proportion to The Forbes 400, or its sister ranking, the World's Billionaires ([FORBES, Mar. 26](#)). Yet the two populations are, in a way, strangely aligned. In the most recent FORBES global tally, 946 billionaires had an estimated combined wealth of \$3.5 trillion. Let us assume that the billionaires earn a 10% annual return. (The combined wealth of The Forbes 400 has been growing at an average pace of 12% a year over the past five years. This figure reflects not only appreciation but also the discovery of new fortunes; it does not subtract out inflation.) That would be around \$350 billion per year in income, for the roughly 1,000 who make the cut. Now the world's bottom billion live at or below \$1 per day. Let us assume, somewhat optimistically, that the poorest billion have a per capita income of \$350 a year, making their combined income the same \$350 billion. Voilà! The gap in per capita income of the world's superrich and superpoor is a neat one million to one.

We've met the billionaires. Let me introduce you to the billionth-aires. I meet them regularly on visits to the villages of Africa and Asia and the highlands of the Andes. They will be delighted to meet you as well, with a hearty smile, a handshake and a food offering. Alas, their generous offering to you likely means no meal for them that day.

Most, indeed, up to three-fourths, of The Forbes One Billion are hungry farm families; the rest, many of whom are hungry and newly arrived from the countryside, are in urban slums. The farmers, surprisingly, don't have enough food to eat, much less to sell to the market. They are caught in an environmental and financial vicious circle. They plant each year without the benefit of fertilizers and high-yield seeds, which they cannot afford. The result is a harvest yield around one-third of what it should be and soils that are continually being depleted each harvest of remaining nutrients. The yields are not only low, but stagnant or falling. The hunger is intensifying.

Financial markets might potentially help to finance the input of fertilizer, seeds, water pumps and the rest that is urgently needed, but these markets are not (yet) to be found in the villages. The farmers have no collateral, no savings and no ability to borrow, subprime or otherwise. Nor can they bear the risk of even a standard loan if they could somehow obtain one. In the event of a drought, which occurs once in every five or ten years, the farmers would default on their debt and would lose their land and quite possibly their lives to extreme hunger and disease.

That's the economy of the bottom billion. Little food, no assets, meager--if any--cash income. No collateral, no credit and no fertilizer. And in the villages, no roads, no electricity, no clinics, no safe drinking water. But yes, warmth, humanity, hard work and love for their children. And hope, especially hope, even in faces of their children dying of malaria for want of a \$1 medicine or a \$5 bed net.

Americans learn from The Forbes 400 that the rich by and large didn't make it by monopolies, inheritance or government largesse. They were often very creative, very hardworking and extremely lucky in riding the crest of globalization, finance and information technologies. Americans will learn even more from The Forbes One Billion list. They will learn to stop blaming the poor, or today's favorite target of the blame game--African governments supposedly mired in megacorruption. They will turn their attention to other things that count: soils depleted of nutrients, lack of infrastructure, malaria and drought.

The Forbes One Billion will help us to see extreme poverty as a global anomaly often resulting from extremes of geography as well as extremes of historical bad luck. Readers will come to know some of the impressive democratic leadership of Africa, such as President Jakaya Kikwete of Tanzania and President Amadou Touré of Mali, who struggle to help their people but with government coffers that are as impoverished as the villagers themselves. Nobody is stealing untold riches in Tanzania and Mali; there aren't untold riches to steal.

Now, what if FORBES can also arrange for the FORBES billionaires to meet The Forbes One Billion? A century ago the world's richest person, John D. Rockefeller, went to work for the world's poor. Heeding the social gospel of Andrew Carnegie before him,

Rockefeller felt that the lasting contribution of his wealth would be to improve the world. And nobody has done it better. He conquered hookworm in the U.S. South. And that was just the start. His foundation fought malaria in Brazil, yellow fever worldwide and even addressed the need for a new science of public health. Most remarkably, perhaps, his foundation shares credit for the green revolution, which sent food yields soaring in India, East Asia and Latin America.

Bill Gates is today's Rockefeller, taking on AIDS, tuberculosis and malaria in hand-to-hand combat, with new drugs, new vaccines, new diagnostics, new delivery systems. He has persuaded his friend Warren Buffett to put his wealth to the cause. Now, with Carlos Slim Helú's mobile phone fortune pushing him into a virtual tie with Gates for the number one slot in the world wealth ranking, he, too, aims to put billions into the cause of global health. Other big philanthropists are on the wealth lists: George Soros, Sergey Brin and Larry Page of Google and more.

Who else will take up the antipoverty challenge? There are life-and-death problems to occupy the best of the world's creative minds. Who will get credit to Africa's impoverished farmers by creatively linking credit with climate insurance? Who will deliver the Internet to the schools and clinics, safe drinking water to the parched lands of Darfur, solar power to the deserts of Mali, emergency obstetrical care to Tanzania and a new economic start in Haiti, 200 years after independence? These problems require creative and dynamic entrepreneurship to bring the right technologies and delivery systems to bear in a race against time.

Next year let's read about The Forbes 400, The Forbes One Billion and especially about the ways that FORBES has helped to bridge the divide. That's a Capitalist Tool that can change the world.

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