

Chairman's Summary of the Panel discussion on review of the first United Nations decade for the eradication of poverty (1997-2006)

Progress over the Decade

There was general agreement that progress in poverty eradication has been mixed. While some regions have recorded strong performances (East Asia, and part of South Asia, for example) others were less successful (Sub-Saharan Africa and Latin America, for example).

It was pointed out, however, that there are still some important unresolved methodological issues regarding the measurement of poverty, and the overall picture of progress in poverty eradication can be different depending on the assumptions and regional decomposition that are used when measuring poverty. For example, the Millennium Development Goal measures extreme poverty using the income line of \$1 a day and there have been questions about whether this narrow concept of poverty provides a good indicator for monitoring poverty.

The importance of increasing the visibility of poor people received significant attention and it was stressed that when the poor are seen and made visible this can advance policies that will directly address their needs. In this regard, the point was made that better statistics are needed to measure poverty and raise the visibility of the poor. It was noted that a useful strategy to increase the visibility of the poor is to require policy makers to undertake poverty assessments of their proposed policies.

It was felt that the implementation of commitments made during the Decade had fallen short of expectations and there was evidence of an inverse correlation between promises made at Copenhagen and the results achieved thus far. Emerging trends suggest that progress on some social indicators, such as school enrolment and infant mortality, have slowed down in the past decade.

Key challenges in Africa

It was pointed out that while some regions in the world have experienced gains in the struggle against poverty, many countries in sub-Saharan Africa continue to be characterized by poverty that is pervasive, gender-based and largely rural in nature. It was observed that among the key factors that have led to increased poverty levels in many parts of Africa are lack of adequate infrastructure, poor human resources management, difficulties in accessing global markets; droughts and famine, political upheavals, conflicts and civil strife, and the impact of HIV/AIDS, malaria, tuberculosis and other diseases.

Agriculture remains the main economic activity for the majority of Africans, especially in the sub-Saharan region where it employs around 90 per cent of the rural population. However, agriculture is currently unable to sustain the needs of the expanding

population because of problems such as low investments, poor quality seeds, lack of fertilizers, poor farming methods, and lack of affordable technology.

The importance of involving people in poverty alleviation strategies was stressed; “bottom-up” strategies with broad-based participation have been proven to work better with grass-roots support. Unemployment, especially among young people, is a serious problem and in order to achieve full, productive and decent employment, realistic and time-bound goals and targets need to be set.

Access to financial resources

Despite the mixed results with poverty eradication over the Decade, the last ten years have shown that increasing the access of poor people to financial resources through microfinance is one of the success stories in poverty eradication. During the last decade, the number of people benefiting from microfinance has grown from 9 million to about 60 million borrowers worldwide.

Besides microfinance, remittances of funds has been receiving increased attention in recent years. However, despite the significant size of these flows, recipient countries have made little progress in harnessing them for local development. A significant portion of remittances is currently being used for current consumption, rather than for investment in education, for example. Local financial institutions can benefit from these remittance flows if they make an effort to change this pattern of expenditure by providing other services, such as housing loans and improved savings products to their customers.

International Cooperation

It was acknowledged that the Decade for the Eradication of Poverty has been successful in placing poverty eradication at the center of the international agenda and public opinion and has increasingly shaped national agendas. However, in terms of the commitment made in Copenhagen towards an enabling environment for social development, it was felt that there had been limited progress specifically in advancing access by developing countries to international economic opportunities and in achieving a system of fair trade. In addition, it was noted that there has been slow progress in providing debt relief to heavily indebted countries.

The importance of aid as a source of necessary resources for poverty eradication was highlighted. It was reiterated that efforts by developing countries to achieve the MDGs should be matched by corresponding efforts by developed countries to reach their overseas development assistance goal of 0.7 per cent of GNP. Aid contributes significantly to development because data have shown that countries with significant levels of aid in the past have experienced better economic growth than other countries. However, it is important to distinguish two kinds of aid: developmental aid and geopolitical aid. It is only in the first case that aid can help countries in their development goals.

But aid per se is not a solution. It is also important that governments be given the policy space needed to decide home-grown poverty reduction strategies and initiatives that reflect country-specific conditions and priorities, while at the same time taking into account the importance of efforts at the regional level.. It was acknowledged that while the increased focus on the MDGs has resulted in large amounts of aid flowing into specific areas, this could result in a decrease in innovation in the use of such development assistance.

Overcoming obstacles and looking forward

It was stressed that unless there is a radical change in how poverty is addressed by governments and the international community, the poverty targets, including the MDGs will not be achieved. It was noted in this context that while the Social Summit targeted poor people around the world, both in developed and developing countries, the current emphasis on the MDGs directs attention mainly to the plight of the poor in developing countries.

It is important to recognize that growth alone is insufficient to reduce poverty. The quality of growth, i.e. the distribution of the benefits of growth, is also important. There is therefore a need to link growth centers with the rest of the population so that the benefits of growth are broad-based and widespread. In addition, the link between poverty eradication and full and productive employment was emphasized. In this context, the ILO's decent work agenda was highlighted. Self-employment and micro enterprises are the backbone of many economies, but for these types of enterprises to provide an exit out of poverty, poor people need to move into higher value activities. In this regard access to education is a critical component.

The private sector can play an important role in poverty eradication. In the microfinance sector, for example, the private sector has been an important component in expanding access of microfinance to women and youth. It is therefore necessary for the private sector to work with policy makers to achieve poverty eradication.

Finally, an important development during the first UN Decade for the Eradication of Poverty has been enhanced partnerships. These can take the form of public-private, public-private-civil society or developed-developing countries partnerships. Partnerships between governments, civil society and the private sector, for example, have been shown to enhance efforts to eradicate poverty.