

**Commission for Social Development
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**Chair's Summary
Priority theme: Poverty Eradication**

Poverty eradication remains a major challenge for all governments and the United Nations system, especially in the aftermath of the global economic and financial crisis. National governments and the international community remain committed to continued efforts at the national, regional and global levels to fulfil the commitments contained in the Copenhagen Declaration and Programme of Action, as well as the further initiatives for social development adopted by the General Assembly at its Twenty-Fourth Special Session.

Poverty eradication: progress and challenges

Since the World Summit for Social Development in 1995, poverty eradication has become the overarching objective of development. However, poverty eradication has been uneven among countries and regions. Despite the impact of the global crises, including the rapid rise in food and fuel prices and the global financial and economic crisis, the world is still on track to meet the MDG 1 target of halving the proportion of the population living on less than \$1.25 a day by 2015. However, the achievement of the MDG poverty target is but one step towards the commitment to poverty eradication made at the World Summit on Social Development. There will be close to 900 million people living in extreme poverty by 2015.

While the forecasted declines in income poverty at the global and regional levels are encouraging, poverty remains high and intractable in many countries. Indeed, the global trend masks the dire reality in many countries where there has been slow or little progress in poverty reduction. Much of the progress in reducing extreme poverty and raising living standards has been achieved in Eastern Asia, particularly in China. Other regions have been less successful. At the same time, regional trends conceal very different national experiences, even in those countries with similar income levels.

Extreme poverty is not simply a lack of adequate income, although the MDG poverty target is income-based. The Copenhagen outcome document strongly underscored the fact that individuals living in poverty experience multiple deprivations, restrictions in opportunities and social exclusion. While many countries have succeeded in reducing income poverty, they still face important challenges in ensuring access to education, health, food and other basic goods and services. For example, the number of undernourished people increased from 817 million in 1990-1992 to over 1 billion in 2009.

Health and education are vital to break the cycle of poverty and to prevent its intergenerational transmission. People living in poverty still face obstacles in accessing health care, and many die, often prematurely, from easily preventable diseases and health conditions. Diseases, in turn, can push vulnerable families into poverty. Education is

widely recognized as a means for socioeconomic progress and lack of education often prevents people living in poverty from taking part in higher-paying formal sector employment. These linkages underline the vicious circle that exists between income poverty and poor health and low levels of education.

Gender and urban-rural disparities continue to hamper efforts to eradicate poverty. Although there has been considerable progress in reducing gender inequality in the past three decades, women remain disadvantaged relative to men in most spheres of life. Gender inequality reflects social structure, culture and values and manifests itself in unequal opportunities and outcomes for girls and women. In addition, throughout the world there are large disparities in well-being between urban and rural residents. Poverty has been growing faster in urban areas, yet the incidence of poverty is still higher in rural areas.

Impact of crises on poverty eradication

Poverty eradication efforts have been further constrained by the economic and financial crisis, the food and fuel crises, as well as the impact of climate change.

The economic crisis has so far led to sharp falls in employment and wages. Globally, the number of jobless persons is estimated to have reached 210 million in mid-2010, up from 178 million in 2007. The longer the distress in labour market persists, the more affected workers, their families and their communities run the risk of being trapped in long-lasting poverty. In this regard, the impact of the crisis on youth, who are disproportionately affected by unemployment and overrepresented in low-wage jobs in the informal sector, is a major area of concern.

The multiple crises had slowed global progress in poverty eradication. Strains put on public expenditures by the crises further limit the fiscal capacity and scope of government policy to address poverty and overcome inequalities. The present trend towards fiscal contraction in many countries risk undermining the still fragile and uneven recovery, threatening to worsen social conditions even further. In order not to reverse the progress that has already been achieved, concerted efforts are needed to ensure a sustained and decent job-rich recovery.

Lessons learned

With less than five years remaining before the target date of 2015, actions to accelerate progress, building on successes and lessons learned, are especially pressing in those regions which lag behind in reducing poverty, and where social and economic inequalities remain high.

Countries face diverse economic, social and political challenges to achieving poverty eradication. Despite the diversity of challenges faced by countries in this regard, there is broad agreement among countries that rapid economic growth and macroeconomic stability are necessary but not enough for sustained poverty reduction.

Poverty is multidimensional in nature and, therefore, strategies to combat poverty should not focus solely on economic growth, but must also be directed towards improving education, housing, health and employment outcomes. In many countries, increasing income and wealth inequalities have limited the effectiveness of economic growth in reducing poverty with the result that people living in poverty are often locked out of the economic growth processes. In highly unequal societies, poor people often do not have access to productive resources, including land, markets or transportation and communications infrastructure. There is growing recognition that poverty is a violation of basic human rights, and therefore poverty eradication efforts should be viewed from a rights-based approach.

It is crucial that macro-economic policies fully consider the social dimension of development, including the need to reduce inequality and to promote full employment and decent work for all. Undue emphasis on balancing public budgets has often resulted in declines in public investment in infrastructure, technologies and human capital, all of which are critical for economic growth and employment creation.

Employment and decent work provide the vital channel through which the benefits of income growth can be more widely shared. Decent jobs provide income security, access to social protection, better health and educational outcomes and ultimately a way out of poverty. Therefore, full employment and decent work must become a key macroeconomic objective alongside low inflation, sound fiscal measures, and social justice in order to achieve a more stable and balanced growth and support poverty eradication.

Universal access to basic social protection and social services is necessary to break the cycle of poverty. Insofar as social protection measures shield people from various shocks and enhance their capacity to manage and overcome situations that affect their well-being, they are essential to reduce vulnerability and prevent the deterioration in living conditions. During economic crises, social protection systems perform an important role as social and economic stabilizers. In the long-term, social protection can help individuals and families build human capital and improve their livelihood prospects, thereby addressing the underlying causes of poverty. When complemented by broader interventions that address discrimination, access to resources and their redistribution, these measures will have a profound impact on poverty and vulnerability and contribute to the establishment of a virtuous circle between economic growth and poverty eradication.

Countries that have successfully reduced income poverty and improved social conditions on a broad scale have developed comprehensive and universal social protection policies covering a majority of the population. While the structure of social protection systems will depend on specific country contexts, a basic social protection floor, in countries lacking it, should comprise a basic set of essential, context-appropriate social transfers and access to essential services, including health care, education and adequate nutrition. This social protection floor is affordable, even in the poorest countries,

if implemented progressively. The needed investment is often viewed as less of an impediment when the potential consequences of not investing in social protection are taken into account. It is important that such interventions are complemented by broader social investment that addresses discrimination, exclusion and the inequitable distribution of resources.

Rural development and agricultural productivity are fundamental to social development and poverty reduction, and a greater focus on the rural economy and the role of agriculture in developing countries is necessary. Small- and medium-sized farms provide employment for the majority of working people in many developing countries. It is also important to link agricultural production to local urban markets to help insulate against external shocks and increase food security and reduce poverty, especially in view of the resurgence in global food prices.

In countries where economic growth has been achieved with gains in agricultural productivity and sustained increase in decent work opportunities in both rural and urban areas, the most progress in reducing poverty have been made. More public investment is needed to support such growth in developing countries with large agricultural sectors, where women are often employed. In this regard, the promotion of gender equality is critical to ensure that women receive the benefits from agricultural and rural development.

Successful examples of poverty reduction underscore the importance of embedding social policy as an integral part of a broader development strategy in order to address the conditions that cause and perpetuate poverty. Sustainable anti-poverty strategies require social policies that focus on all members of society, not just the poor. It is important to build on successful experiences to scale up global efforts in order to accelerate progress to achieve the internationally agreed development goals, including the MDGs and the commitments of Copenhagen.

Governments around the world are increasingly recognizing the importance of social integration to advancing social development and reducing poverty. Many countries have moved from disjointed or ad-hoc policies on social integration to more coherent and cohesive policies in line with national development goals and poverty reduction strategies. Participation by all in social, economic, political and cultural life is critical to ensure that government policies are responsive to the needs of society, including people living in poverty. Governments and their social partners should strive to create an environment conducive to participation and social integration by taking public and solidarity-based actions and implementing policies that eliminate discrimination and social barriers. This will contribute to and reinforce efforts to eradicate poverty.