

Chair's Summary

High-level panel discussion on the priority theme: “Strategies for eradicating poverty to achieve sustainable development for all”

01 February 2017

The Commission held a high-level panel discussion on strategies for eradicating poverty under sub-item 3 (a) on the priority theme. The Keynote Speaker was Prof. Martin Ravallion, Edmond D. Villani Professor of Economics, Georgetown University. There were also presentations from the following panelists: Her Excellency Mrs. Ana Helena Chacón Vice-President of Costa Rica; The Honorable Mrs. Aisha Jumai Alhassan, Minister for Women Affairs and Social Development of Nigeria ; Her Excellency Mrs. Michelle Muschett, Vice Minister of Social Development of Panama; Mr. Michel Servoz, Director-General of the Directorate General for Employment, Social Affairs and Inclusion, European Commission; Dr. Ifeyinwa Ofong, development consultant and a National Coordinator of Women in Development and Environment in Nigeria. The panel was moderated by Ms. H. Elizabeth Thompson, Executive Director of the Center for Leadership & Sustainable Development, UWI-SUNY, and Former Executive Coordinator (Developing Countries), UN Conference on Sustainable Development (Rio+20). The panel also heard a discussant (from the floor): His Excellency Mr. Alberto Beltrame, Vice-Minister for Social and Rural Development of Brazil.

Executive Summary

- Important to look at relative v. absolute definitions of poverty and, in a related way, relative v. absolute inequality.
- Economic growth alone is not enough. Policy interventions are necessary to turn growth into pro-poor growth and reduce inequality.
- Paramount importance of data, monitoring and evaluation of policies in order to learn from mistakes.
- Political will and a wide societal consensus are prerequisites for successful policies for poverty eradication.
- Important to also tackle regional (i.e. within countries or economic areas) inequalities.
- Employment, decent work and labor-generating growth are crucial. However, often fiscal policies have a bigger impact than pure employment policies. Need for integrated approach.
- No one-size-fits-all approach

Keynote Address

Professor Ravallion highlighted that the huge progress made in reducing absolute poverty globally had not been accompanied by a similarly large reduction in the numbers of people living in relative poverty – i.e. those living under a specific percentage of national income per capita. He noted that those living in relative poverty were still vulnerable to falling back into absolute poverty. He also stressed that those living in the most extreme poverty had been left behind in the past decades of development progress. He emphasized research that showed that the world had failed to raise the consumption floor – or the lower bound of the income distribution, meaning that those at the bottom still lived on income sufficient only to meet their basic biological needs for survival, just as they did 30 to 40 years ago. As Professor Ravallion noted, the large global gains in per capita income had not been accompanied by growth in incomes at the very bottom of the distribution.

In this regard, Prof. Ravallion emphasized the importance of better direct interventions to tackle rising inequality and to meet the needs of the poorest. He argued that countries needed to adopt more pro-poor growth strategies that include providing schooling, health care, and labour market opportunities, as well as work to remove biases in public spending and taxation against those living in poverty. He stressed the role of redistributive policies, especially through social protection systems in developing countries, but noted that these countries were also less effective in reaching those citizens living in poverty, due to constraints in information, incentives, budget, and politics. He argued that policies to eradicate poverty must be tailored to their context but that in general, investing in developing country state capacity was crucial, as was avoiding an obsession with finer targeting of poverty programmes. He emphasized that policy-makers had a menu of smart social policies at their disposal, including conditional cash transfers and workfare programmes that should be integrated, with adaptive monitoring and evaluation, to ensure countries learned from their mistakes. Finally, Prof. Ravallion argued that effective policies to eradicate poverty required broad-based domestic support and social consensus about their role, especially from the middle class who may not benefit directly from policies and programmes for those in poverty but should also be able to rely on the social protection systems implemented by states.

Other panellists followed the keynote address by emphasizing a number of the points made and elaborating on others:

Participation and voice

Public policy that focuses on improving voice and dignity of the poorest was stressed by a number of panellists. Poverty, it was argued, should be seen as violation of human rights and policy should address it accordingly. As such, participation and ownership of programmes by those in poverty should be central to rights-based anti-poverty efforts. This may include affirmative action and anti-discrimination policies to improve participation of women in the public and private sector, and examples from Nigeria and the European Union were mentioned.

Social consensus for pro-poor policies

Panellists and contributors from the floor noted that social policy to reduce poverty, inequality and promote inclusion must take place within the context of a social consensus of solidarity to support the poorest. This may require efforts to sensitize the wider population about the need to reduce poverty, share

resources and power, as well as ensuring that the benefits of such policies are distributed equitably within countries and not just in small pockets of support.

Policy design and monitoring

A number of panellists highlighted the importance of policy design based on a strong evidence base. Better mapping and understanding of poverty experiences at the household level can support this. Evidence from poverty mapping and multi-dimensional poverty indices had been positive in this regard, as had engagement with civil society groups who work at the community level. Better targeting and registry of households living in extreme poverty was discussed as helpful in avoiding overlap, while using data to inform more tailored and comprehensive household-level plans could help people move out of poverty. These elements of design must be supported by robust monitoring efforts to ensure stakeholders learn from implementation.

Policy integration and coherence

Panellists noted that social policies also needed to be integrated into a broad approach to poverty eradication, which should include fiscal policies, labour market policies, trade policy, and public investment decisions including in the area of infrastructure, in order to stimulate markets, trade and employment. This approach, it was noted, did not require new policies per se, but rather a better integration of existing programmes and ensuring coherence among them.

In this regard, it was also argued that social assistance alone would not help people get out of poverty sustainably. What social assistance could do was provide immediate relief and in some cases encourage investment in human capital. Transfers, panellists contended, should be part of a holistic approach to poverty which tackles other dimensions of poverty, through better access to education and healthcare services, forms of social protection and crucially, jobs. Brazil was highlighted as a country that had seen an enormous recent reduction in poverty, but where the challenge now was to sustain and guarantee those improvements in the long term.

Some panellists noted that integrated –and sustained- approaches to poverty reduction required a shift in the understanding about poverty, from a purely government problem, to a societal one, that required partnerships at all levels of society to address. Multi-stakeholder partnerships involving civil society such as trade unions, the private sector as well as government, are crucial in policies to combat poverty. Governments can help encourage these partnerships to happen but other stakeholders must also share some responsibility.

Employment to reduce poverty

Panellists also emphasized the essential role of promoting full employment and decent work in the fight to eradicate poverty. Efforts to better connect young people to the labour market were crucial in this regard and may include, panellists noted, a multi-sectoral approach to skills development of young people, and encouraging youth to enter into apprenticeships (such as through the EU's Youth Guarantee scheme). It may also involve working on global supply chains to ensure decent working conditions for workers, and investing in job-rich economic growth in developing countries – for example by encouraging firms that generate value-adding jobs within those countries that produce natural resources. It

was underlined that fiscal policies often had a greater effect than employment policies, hence the need for an integrated approach.

Finally, panellists noted that even though there are some common experiences and lessons, strategies to eradicate poverty need to be nationally defined and owned. Emphasis was placed on embedding these policies in national poverty reduction strategies supported by political will from the very top of governments.