



Poverty Eradication *Policy Directions*

22 June 2011



Less poverty in China

Less poverty due to:

- rapid economic growth, esp.
productive employment growth

Despite:

- increased income inequality
- reduced social provisioning

Money measure of poverty misses
impact of social services decline



Jobs essential

- ‘Job-poor growth’ before crisis
- Job-poor recovery
- **Employment lag** long after output recovery
- Unemployment rate for youth worldwide much higher now



Development lessons

- Pragmatism: address constraints to **accelerate growth, development**
- Promote desirable economic activities, e.g. increasing returns to scale
- **Fiscal capacity** needed to provide basic needs + essential social services
- Government **policy space** crucial for economic + social outcomes
- **Growing inequality, reduced social provisioning** limit benefits for poor



Universalism vs targeting

- **Targeted** programs + social safety nets vs **universal** social provisioning
- Social provisioning, protection should be **universal** + **integral** to development + poverty reduction strategies
- Social safety nets involving targeting + **conditionalities** → cost effective + behavioural change by poor
- **Targeting** poor often **expensive** + politically **unsustainable**, while **missing out** many deserving



Step up efforts

- **Macroeconomic policies** should prioritize sustainable development, employment
- Promote **decent work**
- Protect and augment **social expenditures**, especially for health care + education
- **Social protection floor** affordable for all



Multi-dimensional?

- Copenhagen Social Summit 1995
- Many efforts to capture different dimensions, including HDI, etc
- Multi-dimensional measure likely to produce higher poverty rate
- Controversy mainly over single composite index, over relative weights
- Encourages producing index close to straight money poverty measure



Thank you

Report on the World Social Situation 2010

Please also visit UN-DESA esa.un.org/

Jomo K. S. & Anis Chowdhury (eds). *Poor Poverty: The impoverishment of its analysis, measurement and policies*. Bloomsbury.

National Development Strategies Policy Notes

World Economic and Social Survey

DESA working papers

IDEAs website: www.ideaswebsite.org