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Globalization and Rural Poverty Reduction:  
The Role of the United Nations System—  
Contrasting Styles and Competing Models

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## ABSTRACT

*This paper traces some of the recent developments in the role of the United Nations with respect to the debate on the impact of globalization on (rural) poverty reduction. The paper postulates that while there is a slowly emerging consensus on the nature of the globalization-poverty relationship (as exhibited by the post-Millennium Conference developments on the International Development Targets), the operational interpretation of the relationship and approach to poverty reduction is characterized by a plethora of contrasting styles and competing paradigms. This, it is argued, is not an unhealthy situation, per se, since it allows a rich and diverse debate to continue within the UN system on a phenomenon in which fact and fiction are so inextricably intertwined. However, the UN system is gradually developing a consensus on the way forward on how to position globalization as a force for the common good and as a powerful tool for rural poverty reduction. This has been orchestrated and galvanized in part by a growing array of integrative forces and processes of which the established intergovernmental processes including through ECOSOC, G-77 and G-9 cooperation, South-South fora and the Global Summits are prominent. Nevertheless the major gap between rhetoric, commitment and implementation follow-up in all of these areas presents one of the biggest challenges to the UN system over the next decade – not least the commitment to reduce extreme poverty by 50% by 2015. In response to this task and to support the adoption of a more human centered globalization model – a multi-layered strategic approach is required by the UN system if the IDGs are to be met.*

# Globalization and Rural Poverty Reduction: The Role of the United Nations System— Contrasting Styles and Competing Models

## I. Introduction

### A Synopsis

This paper traces some of the recent developments in the role of the United Nations with respect to the debate on the impact of globalization on poverty reduction especially rural poverty. It is recognized that while globalization is anything but an economic phenomenon and the associated social and cultural tags are as important (especially in the areas of social global public goods, issues of social exclusion etc) – this discussion dwells mainly on the economic dimension. While there is a slowly emerging consensus on the nature of the globalization-poverty relationship, the operational interpretation of the relationship (in terms of the UN systems’s global agenda and the country level activities and their conceptual underpinnings) is characterized by a plethora of contrasting styles and competing paradigms. This, it is argued, is not an unhealthy situation, *per se*, since it allows a rich and diverse debate to continue within the UN system on a phenomenon in which fact and fiction are so inextricably intertwined. However, the UN system is gradually developing a consensus on the way forward on how to position globalization as a force for the common good and as a powerful tool for rural poverty reduction including through the UN Programmes and Funds and the specialized agencies. This has been orchestrated and galvanized in part by a growing array of integrative forces and processes of which the established intergovernmental processes, ECOSOC, G77 and G-9 cooperation, South-South fora and the Global Summits are prominent. Nevertheless the major gap between rhetoric, commitment and implementation follow-up in all of these areas presents the biggest challenge to the UN system over the next decade – not least the challenge to reduce extreme poverty by 50% by 2015. In response to this and to support the adoption of a more human centered globalization model – a multi-layered strategic approach is required by the UN system if the International Development Goals (IDGs)/Millennium Development Goals (MDGs) are to be met.

### The Millennium Summit Goals – a challenge for (rural) poverty reduction

Under the Millennium Declaration, 191 countries committed themselves to halving poverty by 2015 and in meeting the related economic and social development goals.<sup>1</sup> In all there were 10 development goals of which the principal was the halving of poverty by 2015. The Secretary General’s Statement emphasized that “globalization must become a force for all the world’s people” and that there must be an acceleration of the positive features of globalization to meet the needs of the poor. The approach includes developing a more equitable form of globalization that provides real benefits to poor people rather than excluding them. The question is how and in what form and through what avenues/ modalities can globalization become a positive force for the world’s poor. How do we move the rural poor from the exclusion zone through marginalization to the mainstream of globalization. This is possibly the supreme developmental challenge of the next decade and of course since over 80% of all the poverty groups in LDCS live in the rural areas it implies above all else, the need to devised ways and means of bringing these benefits to the rural poverty groups.

## Towards an integrated approach

*The Secretary General's Statement's statement at the Millennium Summit provides the essential spur to a new vigour that is evident in the UN system's involvement in addressing these issues. While the Millennium declaration was notable in its addressing the wider globalization and poverty reduction linkages its special relevance was in bringing to bear a small measure of the strategic approach to poverty reduction through the definition of the special role that the UN system might play in this effort. The task now is to devise ways and means to ensure that this new approach is taken up through, inter alia, the programmes and funds and the operational programmes of the specialised agencies and does NOT remain confined largely to incessant internal debate on the issues. The need to move towards a more pro-active and strategic mode by the UN system is increasingly urgent.*

*One of the more promising signs in this direction is the International Development Goals/Targets now being integrated into the UN Poverty Reduction Roadmap approach (UN action strategy for halving extreme poverty) approved by ACC in October 2000 formulated by the UN Development Group.<sup>2</sup> This marks perhaps the first real effort to bring together some of the main UN agencies to address some aspects of the globalization/poverty reduction paradigm in an integrated manner. The UN agencies involved as members include UNFPA, UNICEF, WFP, UNHR, WHO, UNESCO, FAO, DESA, UNDP, UNOPS, UNAIDS, UNCTAD, HABITAT, UNIFEM, UNCDP, IFAD and the Regional Commissions. Encouragingly, the UNDG Office is preparing country reports focusing on the targets which will help to improve the operational focus for poverty reduction.<sup>3</sup> An associated task is to see how this is also translated into improved cooperation in the field (through the UNDAF process) and especially the UN system coordination of activities with the Bretton Woods Institutions – which have developed parallel poverty reduction initiatives – under the Poverty reduction Strategy Papers (PRSPs) (associated with HIPC 1 and 2) and the Comprehensive Development Framework.*

## II. Some Background Issues And Trends

### Globalization and rural poverty reduction - some perspectives

While the issues surrounding globalization and its impact are very well known, they are worthwhile repeating to ensure that the necessary context is established in relation to the globalization and rural poverty reduction discussion. It is evident that there are both negative and positive features of the globalization-poverty linkage in the sense that for some countries the main influence of globalization has been national economic marginalization and growing inequality. For others (a minority of LDCs) it has led to a virtuous cycle of economic growth and falling poverty rates. For almost all countries in accordance with the accepted neo-liberal paradigm, the only way forward appears to be to push through liberalizing reforms which promote access to the globalization bandwagon and hope that it will maximize economic growth (mainly through foreign trade and FDI) and with it a reduction in overall poverty. It should be noted that the debate on the interplay between globalization, development trends (especially increased urbanization) and poverty reduction is rich and deep and no clear consensus has emerged either way on the positive or negative effects on poverty of the neo-liberal reforms. It is clear however that there is an acute danger in ascribing every major macro-economic or developmental event somehow to the influence of such reforms and globalization and as a result place too much of a burden on it to solve the world's problems – not least rural poverty.

In terms of the UN system there is a wide diversity in the perception of both the importance of globalization as a factor in economic growth and as a tool in poverty reduction. There are also significant differences in the balance between the negative and positive attributes of globalization and accordingly in the approach adopted to factoring it into the rural developmental model. The apparent marginalization of Africa and the rise in international inequality over the past twenty years has been ascribed by some to a lack of access to globalization that has led some to describe it as a crisis in its legitimacy as a tool for development. (UNDP et al). Likewise for some observers the apparently inexorable rise in domestic inequality (between occupational groups, between the urban and rural, and modern export oriented and traditional sectors is of significance.

The debate is ongoing on the relationship between globalization and poverty including within the United Nations System in much the same way as it is outside the system. In essence the major sticking points are the impact of globalization (and of course not exclusively) on the economic position of a country through its access to trade, foreign investment, technology and ICT and other globalizing influences. This has both positive and negative connotations.<sup>4</sup> The linkage of globalization to rural poverty reduction is less clearly understood but is usually posited in terms of the access to domestic and international markets, inputs and productivity enhancing technology linked to the international arena.

#### Trade, investment, globalization and rural poverty – the promises and the reality

It is now apparent that the potential for globalization to act as a means to reduce poverty and more importantly rural poverty depends on the extent to which the economic and social impulses of globalization are transmitted to a country and in turn to the rural areas. On the international trade side, the clear evidence now is that globalization has led to the emergence of two groups – those which have largely benefited from the expansion of world trade and investment (the included – mainly Western Europe, North America, Latin America and selected countries in Africa, Asia and Middle East) and those which have either not benefited or have in fact lost out (the excluded or marginalized). Even for those countries which have gained it does not necessarily bring with it an improvement in rural terms of trade or improved prices for agricultural products. Indeed the recent evidence is that the international prices of the “poor mans” export crops (coffee, tea, cotton, sugar, bananas etc) have fallen disproportionately as compared to those of manufactured products. This appears to be true in terms of the domestic (rural-urban) and international terms of trade. The biggest obstacle to the improvement in agricultural terms of trade include restrictions on market entry for rural products imposed by the largest trading blocs including the EU with the value of subsidies outweighing the total value of ODA to developing countries. It is apparent that for export led growth – a foundation of globalization to work - the crude globalization model currently promulgated by the WTO needs to be changed radically. Likewise the unfulfilled promises of the Uruguay Round in terms of opening up trade especially for the LDCs need to be reexamined.<sup>5</sup>

#### Some recurrent negative themes on globalization

Perhaps the most important single critical comment on the impact of globalization is on the apparent increase in global or international inequalities and especially of the poorest quartile in society. For some observers the most important issue is that despite a decade or more of structural and economic reforms designed to open the poorest countries to the influence of

modernizing and liberalizing economic and social impulses, the same countries are the bottom of the heap. Over the past decade some 33 of the 49 poorest countries have undertaken significant economic structural adjustment reforms but their economic performance has not really improved and if anything poverty incidence has increased. The agricultural sector has lagged as agricultural terms of trade have deteriorated and as the commodity terms of trade has declined. This may imply that the ability of a country to benefit from globalization is essentially independent of its economic policy or that there is no real connection between the pace of market liberalization and the rate of reduction in poverty. For others, the phenomenon of regional marginalization especially of the failure of whole blocs of countries to get on board especially Africa and Countries in Transition is most worrisome. The phenomenon of growing international inequalities and exclusion and unemployment is matched by internal or domestic tensions of the same magnitude. For some the explanation is not that countries have been overwhelmed by globalization but that they have been overlooked.

The origins of growing international inequality are placed (by some) on the lack of symmetry in international trade and the rules of the game with LDCs systematically discriminated against in terms of tariff and non tariff barriers for their products – notably textiles and agricultural products. In international trade there is a marked polarization in terms of the rapid rise in flows between the top ten richest countries with the traditional commodity trade based countries still languishing in the trade doldrums. For foreign investment- the other driving force of globalization - the same pattern emerges – with the top five countries have a disproportionate share of FDI inflows and outflows. In terms of the regional dimension that same picture exists with – only a handful of countries benefiting from the influence of globalization in terms of trade and investment. Only 10 countries account for 80% of the global FDI flow.. most are in Europe and Asia and are closely related to modern industrial and services transaction and to a lesser degree to resources development. (oil and gas).

One of the more fascinating features of the globalization-poverty debate is whether there are new poverty groups being formed as a result of globalization – the so-called new (globalized) poor – structurally redundant workers mainly urban based unemployed forced into lower income/wage occupations as a result of economic policies which open a country to unfair competition from imports and squeeze out domestic suppliers and manufacturers. Paradoxically, the old poor (rural subsistence farmers, informal workers, etc) may not have fared so badly in the face of globalization either because there are not really integrated with the market economy or because they have developed survival skills that allow them to adapt in a way which preserves their incomes and standards of living. In this case the influence of globalization has been essentially neutral – it has not led to a market improvement or deterioration in the situation. Some persistent positive themes

Many of the defenders of the new globalization phenomenon point to the many positive ways in which globalization can be a powerful force for modernization and poverty reduction through access to global public goods, trade and ICT (development oriented). But for this to come about there has to be a new type of globalization – an inclusive form of globalization – or globalization with a human face which addresses the social dimension more forcefully. This implies greater and now urgent attention to the discrimination against the LDCs in terms of trade practices – a new Uruguay Round which really addresses the pressing complaints of the economically excluded countries with particular emphasis on the rural productive sectors and a

more aggressive stance on ensuring that the positive potential influences are brought to bear at the international, national and local levels. Much needs to be done in this area.

#### The principal mechanisms for rural poverty reduction in relation to globalization

The three main areas that have been extensively covered in the debate on globalization and rural poverty reduction tend to be centered on the economic dimension even though the non-economic and social dimension is recognized as increasingly important. The economic factors revolve mainly around the issues of international trade, foreign investment flows/financial liberalization and ICTD (Information, Communications and Technology for Development) and new governance systems which are tuned into the globalizing world. Some of these components are now being developed in the context of integrated poverty reduction strategies as exemplified by the Poverty Reduction Strategy Papers (PRSPs) of the World Bank (which the UNDP is extensively supporting in the field) and the Comprehensive Development Framework (CDF) – a synthesis of strategic, sectoral and macro-economic policy to support the HIPC initiative. While there is a need to fully respect the above globalization/impulses and build them into the PRSPs—very often they tend to be too narrowly conceived in terms of the globalization-poverty reduction debate and largely neglect the critical issue of the human dimension and even how global public goods can be directed towards relieving rural poverty. While the PRSPs embody country driven and fully participatory principles and do apparently cover the concerns of the poor they also tend to neglect important issues of trade relations and international direct investment as key factors in poverty reduction. As in the past a relatively weak area is how the PRSPs can utilize the empowerment of the rural poor as an operational tool to improve their situation.

#### Debt reduction/HIPC – the globalization link

The linkage between globalization and poverty reduction while tenuous is a feature of the HIPC process in that for a country to be able to reap the benefits of globalization the level of debt must be reduced so that more attention can be paid to real development priorities. The linkages of debt reduction to poverty reduction are only now being established through the modalities of HIPC and the PRSPs (see earlier). For rural areas the clear benefits that could be attained by debt reduction are not well articulated but are likely to be formidable given the predominance of rural poverty – if the debt dividend were more equitable distributed and applied to poverty reduction as it is required to be. What really matters in the final analysis is the extent to which the debt dividend is translated into poverty reduction benefits for the rural poor – this is a very weak area in the PRSPs.

#### The crisis in governance and new Governance systems for poverty reduction

For some observers, the influence of globalization (especially through the liberalization and structural adjustment reform programmes) has been to reduce the ability of sovereign states or governments (loss of sovereignty issue) to put in place the instruments required to manage the globalization challenge. This is a moot point but in many respects there appears to be a perception that the scope for any single country to put in place countervailing measures to control the worst excesses of globalization are limited. For some observers this implies the need for a move towards new global and national forms of governance. If this issue is to be tackled it implies moving beyond what is commonly understood as the framework basis for international agreements and protocols to new forms of socially responsible world governance. For others this is interpreted as a call for a new focus and energy on the implications of poverty and

globalization in a multi-layered and multi-sectoral approach - at the international level (to deal with macro-economic issues, cross border aspects and the distribution of global public goods and bads), and at the national and local level to understand how globalization impulses move down through national processes and mechanisms to affect the poor – where they live – directly and indirectly. In the latter scenario, the public and private sectors are seen as the key partners in this new understanding with special emphasis on the core globalization impulses – trade and foreign investment flows and ICT for development (including bridging the digital divide).<sup>6</sup>

### Bridging the digital divide

The second most promising impulse of globalization is the potential impact of ICT for development on poverty reduction enabling a country (and groups within a country) to leapfrog whole stages in development. However most observers concede that this linkage will only have real effect when the number of internet sites, users or cyber-communities expand to become readily accessible for the rural poor. Even then this must be put in its proper context since even the distribution of newspapers and other medias is very limited in most LDCs and only extends to the major towns – where the poorest do not live. Thus the key point in this area is sheer physical access to ICT nodes along with the cost of access. How to promote rural community internet facilities where there is no electricity and where information on local issues is not available is problematic under the best of circumstances and calls for a broad based approach involving better and more relevant content, improved access, interpretation, and follow-up before the potential of the internet and ICT can affectively address rural poverty in LDCs. There is a need to concentrate on the so-called the “strategic levers” to include rural secondary schools, institutes of higher education, urban based community centers, civil society NGOs as the first line of attack.

E-governance and e-commerce is another area cited as most promising as reducing the cost of governance, improving information flows reducing the cost of business and access and thereby serves to empower the socially and economically excluded. The overall potential of the internet is described in terms of the potential advantages of e-commerce through the new global village to the rural village, the rapid development of B2B and e-tailing, increase in knowledge sharing, information networking – all part of the new dynamics, new learning paradigms associated with ICT developments. Critics of the possibilities of ICT as a major poverty reduction tool point to the need to develop more customer friendly software and operating systems in local languages. These are being developed but not fast enough especially in the more sophisticated fields of e-commerce, e-tailing, B2B, and information- networking. As tools for rural poverty reduction, the potential is surely there but relatively few examples have emerged of their real utility being demonstrated. They are still in the realm of gimmickry in most places and in most countries the digital divide remains essentially one between the urban and the rural areas – the ICTD revolution has yet to be a major force in rural areas.<sup>7</sup>

### Environment, globalization and poverty

While this is not a central issue for this discussion paper, it is clear that one of the core problems of globalization that has been hotly debated is the extent to which a more liberalized trade regime brings with it the risk of global warming, accelerated movement of global environmental public “bads” in the form of trade in toxic goods, cross border pollution and so on with the adverse effects falling primarily on the poorest groups. While this is not specifically an

issue that can be added to the central discussion on globalization and rural poverty reduction it is clear that the prospects of globalization adding a new set of anti-poverty reduction impulses in the form of enhanced environmental pollution and dumping of national and international toxic wastes in rural areas should not be discounted. Perhaps of more fundamental importance is the indirect effect of globalization in terms of the accelerated depletion of rural resources (for export) notably forests and mineral resources without at the same time addressing rural poverty. This is the traditional scenario of most resource natural depletion profiles in most LDCs and represents a major missed opportunity if the income derived from the higher demand for rural resources is not used for poverty reduction.

Regional variations in the theme of globalization and poverty reduction The widely differing effects of globalization (and not only in relation to rural poverty reduction) on a continental scale illustrates the diversity and balance of the globalization impulses which in turn can be categorized into patterns or problems of either inclusion or exclusion effects. In Africa, the globalization-poverty reduction diagnosis centers on the need to address the problems of increasing marginalization and how African economies (and especially the poorest) can claim a higher share of global trade and foreign investment. The most recent so-called “New Deal for Africa” in the form of the African Millennium Plan is a product of this approach – and ties globalization and poverty reduction to the success of a new set of liberalization centered reforms. In Asia the principal concern is with how to minimize the risk of increased financial and trade vulnerability in any downturn in the world economy. Thus the globalization-poverty reduction linkage would be centered mainly on this risk aversion model. In the transition economies of Eastern Europe the linkage between globalization and poverty reduction would be mainly postulated in terms of the need to compensate the poor for their disproportionate share of the costs of transition, the rise in blatant inequalities and informal mafia type economic structures (often tied to new globalization forces) which discriminate against the rural poor. Thus the globalization-rural poverty reduction model would be more concerned with the redistribution of the benefits of globalization to rural communities. For Latin America – debt and economic instability and the linkage to globalization and are dominant themes which will impact on how the globalization – rural poverty reduction model is postulated. From the European and American perspective, protectionism – esp of agriculture and textiles and transportation and services and maintaining global shares of trade and investment are the preponderant issues which will factor into any globalization-rural poverty reduction model.

### III. The Role of the UN System in Promoting Globalization as a Tool for Rural Poverty Reduction

Increasing diversity of UN system involvement in globalization and poverty reduction While the UN system has not been a major player in the way the “crude” globalization model has materialized or impacted over the past decade it is now increasingly taking a role in reshaping it to the benefit of the common good and as a tool for human development. It should be noted that the World Trade Organization (WTO) - possibly the most influential actor on the trade (and investment) based “crude” globalization model - is classed as a “related organization” under the auspices of the UN General Assembly. Almost all of the major development agencies of the UN system fall under the auspices of the Economic and Social Council (ECOSOC) and have played some role in the globalization-poverty reduction debate – to a lesser or greater degree. For some observers there has been a call for the UN to play a far greater role in positioning globalization as a key factor in poverty reduction and developing a more strategic approach.<sup>8</sup>

*This section examines some of the ways the new UN system role is emerging, its diversity of perceptions and approaches and the possible scope and limitations of the various initiatives that have been adopted. Any assessment of the role of the UN in addressing the linkage between globalization and rural poverty must face the fact that the system structure is highly complex and fragmented both in terms of the wide variety of mandates and diversity of agencies. All agencies – have some role to play in poverty reduction but only a handful can claim a major role in addressing rural poverty reduction per se. Their specific roles are briefly reviewed below and developed further in the ANNEXES to this Discussion Paper.*

#### Need for a Strategic Approach towards developing a “new” globalization model

The clear evidence is that new pressures are being placed on the “old” and rather narrow or crude globalization model to change it into a more inclusive or human centered form if it is to have any chance of acting as the principal driving force in rural poverty reduction. This pressure (as already observed) reflects the imperfections of the existing model which essentially has led to the exclusion of significant segments – even regions - of the world community – encouraged rising income inequalities at the international level, between regional blocs and, according to some observers, within countries. If the prime objective is to position globalization as the prime mover in the war on global poverty (as implied by the Millennium Declaration Goals – MDG) then action is urgently required to retool globalization to ensure that globalization based goods and services – financial, economic, social (including global public goods) actually reach or benefit the rural poor either directly or indirectly through improving the channels and mechanisms for delivery to the poor and through enhanced governance systems and capacity of the players (public and private sectors) responsible for poverty reduction and as globalization facilitators for the common good.

*If the UN system is to play a major role in defining and guiding the process of the derivation of a new “inclusive” model, then concerted action is need on at least three levels, at the international level (through mobilization of concerned parties through, inter alia, the intergovernmental processes), at the regional/national level (through the UN regional commissions and individual countries) and at the within country/local level through coordinated UN system programmes. At all levels the importance of establishing strategic partnerships is emphasized including those akin to the UN- Private sector Global Compact model operating at the international and national levels.*

#### Multi-level globalization-poverty strategies

The above considerations could be reflected in a well articulated strategic action framework for globalization and poverty reduction at the international level, on the preparation of strategic globalization/poverty reduction programmes for management and application/implementation at the national level and linked projects/ programmes at the local level. At all levels the UN system has a key role to play in the articulation of this process and would seek to align its programmes to reflect these priorities. It implies a new set of partnerships between the UN, the private and public sectors, with civil society and NGOs and the poverty groups – especially at the national and local level. It involves the assiduous follow-up on the following aspects;

Global/international - on a global strategic framework for globalization/poverty reduction which will vigorously seek new more favourable conditions for globalization especially for LDCs in the areas of

- Improved Terms for international trade especially reduction in tariff and non-tariff barriers to “poor” commodities, preferential access to developed countries markets
- Access of LDCs to global public goods esp new technology for agricultural, health and education sectors on preferential terms – for application to poverty reduction
- International protocols on accelerated development of ICTD and bridging the digital divide
- Strengthened world financial architecture which would minimize the downside risk of an international financial crisis on the poorest and most vulnerable in society
- Measures to stimulate the flows of ODA for LDCs with special emphasis on Africa and the marginalized countries or those at greatest risk of not achieving the IDTs and poverty reduction targets
- Special international measures to promote low risk equity and investment capital flows to LDCs

National strategic plans for accelerating globalization for poverty reduction would emphasize some of the following aspects

- Improved Governance for globalization/poverty reduction (linked to the PRSPs and UNDAF) with closer linkages between the former and globalization applied for rural poverty reduction
- Institution of reform and liberalization programmes for the market which are sensitive to need for social protection of the poorest
- Linked programme for a national ICTD with greater emphasis on access and content issues and bridging the rural-urban digital divide
- Strengthened rural marketing and information systems for export crops
- Programme for promotion of value added in rural production
- Support for applied research in application of global public goods for the benefit of the poor.

Local poverty reduction action programmes

- Local awareness programmes on availability of goods and services for rural poverty reduction
- Building of community internet access points
- Support for local governance structures/decentralization model which establishes base for rapid access of the poverty groups to global public goods – health, education etc
- Accelerated ICTD programmes for the (rural) poverty groups – as awareness creating and information sharing tools
- Development of new agricultural marketing tools and productivity enhancing initiatives tied into a socially sensitive local globalization/poverty reduction programme.

The modalities of UN system involvement in addressing globalization and rural poverty reduction at all levels is largely in place and could be readily mobilized in defining the strategic frame for the new globalization/poverty reduction model. The envisaged support modalities range from

1. Providing a forum for debate and discussion – this includes through the intergovernmental processes; expert group meetings; special fora, preparatory meeting for major global summits (Prepcoms); and other events including joint sessions with the G-77, South – South Fora. These are principally organized through both the UN Secretariat (notably UNDESA) and the Funds and Programmes (notably UNDP) and specialized agencies (notably the World Bank Group) as part of their ongoing activities and provide perhaps the most valuable contribution of the UN system to emerging opinions and approaches. The extent to which the topic of debate touches on globalization and rural poverty reduction is very variable and depends on the nature of the division and agency. It is clear however that while the topic of globalization has been extensively covered by the UN Secretariat there has been relatively little attention to the specific topic of globalization as a factor in rural poverty reduction.

*NOTE Increasingly the debate/discussion on topics of relevance to this theme is being conducted through the medium of the internet with excellent web-sites featuring in almost all of the UN agencies/bodies.*

2. Research studies, statistics and seminars inc miscellaneous publications. The UN system is a voluminous producer of technical studies and statistical of relevance to almost all aspects and facets of the globalization-poverty reduction debate. Apart from a relatively few examples cited below the globalization – rural poverty reduction theme has been relatively neglected.<sup>9</sup> Other notable bodies in this respect are the UN Research and Training Institutes – INSTRAW (rural women and globalization); UNITAR (Globalization issues and how the UN system will cope); UNRISD (social impact of globalization) – all have produced significant studies of relevance to the globalization/poverty reduction debate.

3. Definition of Advocacy positions on globalization and rural poverty reduction. This is an area that has featured relatively weakly in the various initiatives of the UN system. The main exceptions are the World Bank, UNCTAD and UNDP – but here again the focus is on the wider globalization agenda. This aspect is nevertheless important for the development of a more strategic approach and the adoption of a more socially acceptable and human centered form of globalization which will build in special provisions for the excluded nations through the various mechanisms including the WTO, trade negotiations, finance for development, PRSPs, etc.

4. Field level operations of Funds and Programmes and Specialized Agencies. These are multifaceted and cover many forms of intervention which could be increasingly targeted on poverty reduction. The traditional areas are (a) capacity building through country level project activities; (b) seminars, workshops; (c) fellowships; (d) infrastructure development. For the UN system operations in the field, the adoption of a coordinated approach to globalization- poverty reduction under the UNDAF process is a major base for an integrated response to globalization-poverty reduction. The UN system activities in the field are being increasingly coordinated with the World Bank through the PRSPs. Note UNDP is developing special funds and partnerships for ITC and Poverty to address some of the issues.

5. Special role of the UN Regional Commissions. The UN Regional Commissions are likely to be major actors in helping to link the international, regional and national strategic plans for globalization-poverty reduction.

#### IV. The Major Players in the UN System and their Strategic Roles in Globalization/Poverty Reduction

The principal UN agencies and bodies with a stake in rural poverty reduction and falling largely under the ambit of Programmes and Funds, specialized agencies and the functional and regional commissions – all of which have a major upstream and downstream (field/country level) presence are:

United Nations Secretariat  
Department of Economic and Social Affairs

A major potential influence on the shape of the globalization/poverty reduction debate through its stewardship of the major UN bodies concerned with Economic and Social Affairs but to date has concentrated on research and an advocacy role in respect to globalization and poverty reduction. Major guidance in this respect has come from the UNDESA USG – in the form of statements to the Second and Third Committees and the development of a web-site (e-forum) on the importance of globalization. Some influence is possible in the operationalization of a support for globalization for poverty reduction. Under DESA the globalization/poverty reduction model development might be possible in the context of the TC activities. The activities of the Department cover all of the three levels of the strategic framework for globalization-poverty reduction and is likely to play a leading role in the articulation of the framework at its various levels. The importance of UNDESA involvement in intergovernmental processes through the ECOSOC, Commissions, G-77, G-9 and UN system bodies such as ACC and UNDG in providing an integrative dynamics to major themes of globalization and poverty reduction cannot be underestimated. Already this influence is indicated in many areas including the stewardship of many of the global summits and their follow-up and through such modalities as the Finance for Development Initiative which has taken a lead role in charting a course for a new global financial architecture which could have profound implications for globalization and poverty reduction.

#### Programmes and Funds

UNDP – is a major player in exploring the development of globalization as a key factor in poverty reduction with a human face. Six key issues have been identified as needing to be addressed urgently as part of the globalization/poverty reduction debate (i) issues of technology transfer and intellectual property and unimplemented commitments left over from the Uruguay Round; (ii) barriers to trade in agriculture and textiles must be dismantled, without forcing the poorest countries to surrender the safeguards needed to protect their own fragile industries; (iii) the decline in ODA must be reversed with increased support to environmental protection, HIV/AIDS and mechanisms to combat extreme volatility in currencies and commodity prices; (iv) debt relief must be much wider, deeper and faster with special help for countries genuinely engaged in poverty reduction; (v) a new commitment at the highest level for sustainable development; (vi) developing countries must have a meaningful role in equitable structures governing international financial and environmental structures.

UNCTAD – special emphasis on trade and development issues with a new challenge to the orthodoxy of the WTO. Increasing synergies are evident between the World Bank and UNCTAD on the need to amend the crude trade and investment focused globalization models to enable them to play a more prominent role in poverty reduction through the PRSPs.

UNEP – addresses rural poverty and the environment in relation to globalization. Not a major player except in the areas of legal frameworks for cross-border environmental issues.

UNFPA – increasingly involved in the policy debate on population issues, globalization and poverty reduction.

UNICEF – focus on rural women and child care and many useful studies and researches on rural poverty but not specifically linked to the globalization/poverty reduction model.

### Specialized Agencies

WORLD BANK – The major player and now the most forceful advocate of a new paradigm for poverty reduction based on the PRSPs – but still only tangentially linked to globalization. Recent thinking of the Bank has challenged the “crude” globalization model of the WTO and urged the adoption of new tools to broaden its social content. This has clear implications for the linkages between globalization and rural poverty reduction.

IMF – while mainly concerned with the virtues of fiscal and monetary discipline and policies, annual budgeting and financial management – there has been increasing attention to the longer term social aspects of the fiscal stabilization and budgeting models by the IMF – some of which recognize the downside risk of narrowly focused liberalization and reform programmes. Greater attention to new modalities of financial intermediation for the poorest in society is appearing.

ILO – a new focus on pro-poor growth which is employment generating and shoes greater attention to the rural poor and informal sector as a core element in pro-poor growth induced under the growth oriented poverty reduction model.

FAO – major studies on the impact of globalization on agricultural trade patterns and impact on LDCs food situation – and by extension on food security and the rural poor.

WHO- some relevance in the areas of global health problems – specifically HIV/AIDS and link to globalization processes – but only limited application to the globalization-poverty reduction model.

UNESCO – major research on the issues of governance, institutions and related systems for good governance – of potential importance for the design of new country based inclusive models of globalization.

IFAD – emerging as a major agency in the diagnosis of features of rural poverty and its linkages to globalization impulses and patterns.

UNIDO – linkages of globalization to the emergence of new SMEs which could be a force for rural employment. Still tends to be focused on traditional solutions to the industrial development issues of LDCs.

## Regional and Functional Commissions

The Functional commissions of the ECOSOC are key bodies in the development of a more coherent and consistent approach to developing the integrated model of a human centered globalization model which will embrace, inter alia the critical issue of addressing rural poverty and positioning globalization as the key driving force in poverty reduction. Much of its work still inspired by the major agencies notably the World Bank and UNDP and to a very limited extent the internal thinking/dialectic in the UN Secretariat and by the major regional groupings – inc G-77 and G-9.

## V. Conclusions

The challenge to the UN system to contribute more fully to the attainment of the Millennium goals especially with respect to poverty reduction and the establishment of a more human centered globalization model is indeed profound. This paper has argued that the challenge is so severe that only by adopting a more pro-active, strategic and programmatic stance on the globalization/poverty reduction issue at all levels of intermediation can the system hope to deliver on its expectations.

## Notes

<sup>1</sup> We the Peoples – The Role of the United Nations in the 21<sup>st</sup> Century took globalization and related issues of governance as its major themes.

<sup>2</sup> The EXECUTIVE COMMITTEE, MEMBERS, OBSERVERS comprise the UNDG and cover some of the most important in terms of the operational funds and programmes addressing rural poverty.

<sup>3</sup> The first example of this is a report on the progress and constraints on implementation of the Millennium Goals for Tanzania. The National Human Development Reports can also become the basis for a more forceful presentation of the management issues associated with rapid globalization and how globalization impacts on rural poverty. (Note some 360-370 NHDRs have been produced since 1994). The UNDP concept of a “Global Poverty Rating System” linked directly to the targets that will help to mobilize government and civil society, business and labour activists and policy makers in LDCs in the global race to halve poverty by half by 2015 is a useful approach.

<sup>4</sup> For example, the adverse impact of the 1977 world financial crisis on the Asian “tiger” economies, arose out of their high level of integration through “financial globalization” into the world financial markets through inter alia, short term capital flows and speculative positions which unwound during the world financial crisis. At this time, apart from the impact on GDP, the differential impact on the poor and most vulnerable arose through a combination of rising unemployment and financial tightening was a matter for concern. There has been considerable debate on this issue and in some cases the analysis has extended to the impact on the rural poor, however this was not apparently a core area of concern since it appears that apart from the initial commodity price shock and financial squeeze the urban middle class bore much of the burden and the rural poor were relatively untouched. The same appears to have been the case in Africa where the impact of globalization both negative and positive has been relatively minimal reflecting its comparatively low levels of integration into the world economy. Interestingly the world financial crisis has led to one of the most promising UN initiatives – in addressing the issue of the international financial architecture through the Finance for Development initiative (Fdi) which addresses some of the concerns regarding the impact of financial globalization on development prospects for LDCs but only marginally on the issue of the impact of globalization on rural development and even less on the prospects of globalization being a prime tool in rural poverty reduction.

<sup>5</sup> The most recent World Bank publication on the state of the world economy – Global Economic Prospects. 2001 estimates that if all global trade barriers were removed, global income would be raised by US\$2,800 billion and move 320 million out of poverty by 2015. The World Bank estimates that its own policies would generate US\$1,500 bn in extra income for LDCs. The biggest potential liberalization gains would be from trade in services particularly transportation which would increase income by US\$900 bn more than four times the US\$190 bn from liberalizing merchandise trade.

<sup>6</sup> For some observers the impact of globalization has been seen in the move in two essentially opposite directions – towards increasing global integration including the emergence of powerful regional economic blocs and within countries towards a drive towards decentralization and empowerment at the lowest level. The latter has obvious implications for the scope to tackle rural poverty since it opens up a new array of powerful policy and operational tools for rural poverty reduction but the link to globalization forces is not wholly convincing.

<sup>7</sup> UNDP e-development strategies are now blossoming. A notable example of this is UNDP’s relationship with CISCO systems and other international development organizations to help train students in the LDCs – involves CISCO, USAID/Leland Initiative, UNITEs, UNVs and the Peace Corps. 28 LDCs are involved and 100 instructors trained. Note UNDPs new Business Plan operating model emphasis is on Policy and Advisory Services, Support to the Resident Coordinator system, Development Support Services. Also UNDP Virtual Development Academy – is a good example of using a global tool for development. UNDP SURF offices in 9 locations could be developed as a national development resource.

<sup>8</sup> See the UK White Paper - 2000 on Globalization and Development for the poor and the call by Clare Short - the UK Minister for Development on the need for the UN system to gear up to address the challenges of globalization, Making Globalization work for the poor: a role for the United Nations. February 2001.

<sup>9</sup> African Recovery – a quarterly newsletter/ magazine produced by DPI is one of the publications which has covered the topic of African Poverty and globalization from a number of angles.