Editorial:
We can, and must, end poverty

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P overty has been a scourge since time immemorial. It is a continuing affront to our sensibilities, our moral principles, our very humanity. But it doesn’t have to be that way anymore. We live in an age of promise and opportunity, where technological advances, successful development experience and political will can be summoned to eliminate poverty – and in particular to end extreme poverty. Today, we can end poverty and free future generations from its devastating, tenacious grip.

This is not to say that we have not already seen promising results in the fight against poverty. During the industrial revolution, economic and social transformation in many countries lifted millions of people out of poverty. There was another impressive advance after the Second World War, when scientific and technological progress, entrepreneurial energy, market forces and redistribution policies brought growth and widespread prosperity to countries in Europe, North America and East Asia.

Progress since 1990 has gone even further, surpassing previous advances in global poverty reduction. In fact, this generation has been the world’s most fortunate – across all regions – in terms of poverty reduction. People are taller, better nourished and healthier: rising life expectancy attests to this, as does the success in achieving the first Millennium Development Goal (MDG) target of halving the share of people living in extreme poverty five years before the 2015 deadline! While this outcome owes a lot to the impact of strong economic growth in the People’s Republic of China, many other countries have also made striking progress in the fight against poverty. For example, five African countries – Benin, Ethiopia, Gambia, Malawi and Mali – topped the global rankings in progress against all the MDGs compared to where they started from. The power of conviction, the determination and the political will mobilised by the MDGs have made an immense difference in achieving these very positive outcomes.

Nevertheless, the battle is far from over. More than 1 billion people still struggle daily to secure adequate food and shelter and fulfil their basic needs. The fact that we are moving in the right direction is no consolation to an impoverished father in South Africa who has lost his child to a preventable disease. It is time to tackle extreme poverty once and for all. We need to galvanise our resources, wisdom and experience, our ingenuity and political will to reverse the
plight of the poorest of the poor. These are the hardest people to reach with public goods and services, and the most difficult to integrate into economic, political and social life.

We can learn from countries that have succeeded in this fight – from the strategic choices they have made, the policies and initiatives they have put in place, the priorities they have established. This report collects leading international good practice based on proven “local” solutions to tackling poverty – practical, concrete examples that can be adapted to other country settings. I am indebted to the many leaders, experts and policy makers who have contributed their knowledge through the examples you will find in these pages.

We are the first generation in world history with the ability to eradicate poverty – and our motto should be: “Yes, we will!”

An ambitious but achievable goal

We have seen some remarkable development success stories over the past 50 years – examples that show the way for other nations who want to follow suit. In the space of two generations, Korea has vaulted from being among the world’s lowest-income countries to become a prosperous, modern and efficient state with a productive sector that is well integrated into global trade and investment, and a large and rising middle class. What is even more important is that Korea has registered improvements in every social, economic and political metric while ensuring that its growth is sustainable by “greening” its economic base.

There are, of course, many other success stories: Bangladesh, Chile (Chapter 16, Global approach 3), Ghana, India, Indonesia and Turkey, to name a few. And China has brought more people out of poverty than any other country in human history (Chapter 8).

As the world starts to develop a new global framework to guide development once the MDGs expire in 2015, there is a strong push to eradicate extreme poverty; what was considered an “ambitious” goal is gaining in momentum and credibility. Numerous global political and thought leaders – such as President Obama in his 2013 State of the Union speech, Bono, and World Bank Group President Jim Yong Kim – are explicitly calling on the world to set poverty eradication as the overarching aim of this new post-2015 framework.

Ambitious, yes, but achievable. For the first time in history we have the knowledge, tools, technologies, policies and resources to bring an end to extreme poverty. What we need now is to galvanise global political will to take up this cause – and get the job done.

Political leadership is vital

Many recent successful poverty reduction efforts have been fuelled by rapid and sustained growth together with the rise of an entrepreneurial class. But growth alone does not suffice (Chapter 3). Measures to broaden access to assets and to ensure the distribution of wealth are crucial; land tenure, human rights and participation in decision making are all fundamental (see Part II). We must direct renewed attention to understanding the diverse political dimensions of development, including how the poor and disenfranchised can be empowered (Chapter 16, Global approach 5) and how the wealth generated by growth can be equitably shared.

There is no substitute for strong leadership in mobilising political will across society to tackle extreme poverty. In Africa, for example, the leadership of the late Ethiopian Prime Minister Meles Zenawi and his focus on development results, food security and poverty reduction have been exemplary. The same could be said for a number of Ghanaian presidents hailing from different political parties, but who have coincided in championing poverty reduction and food security for the poorest. This has enabled Ghana to implement a successful development strategy focused on building the private sector, developing human resources and
implementing good governance. In Brazil, President Lula revolutionised the fates of millions by adopting a set of policies designed to channel resources directly to people at the bottom of the affluence pyramid. He has contributed a chapter to this report, describing how he managed Brazil’s political challenges to address his social and economic goals (Chapter 7).

**We must balance poverty reduction with environmental sustainability**

Today’s global growth is taking a heavy toll in the form of environmental degradation and we are approaching or even overstretching our planetary boundaries. This has profound significance for both present and future generations – but particularly for the poor, who are the most dependent on nature for food, livelihoods, energy, security and health. The poor and the disadvantaged are also the most vulnerable to the negative consequences of climate change. Managing the natural resource base – soil, water, biodiversity and other precious elements – and improving well-being while preserving local ecosystems and habitats is of primordial importance for poor people. OECD countries have an obligation to deliver on their international commitments to reduce greenhouse gases and to mobilise USD 100 billion each year, starting in 2020, to counter the effects of climate change in the South.

While it is not always easy to balance poverty reduction with environmental sustainability, important progress is being made. Over the past decade, for instance, Brazil has greatly reduced extreme poverty and inequality (Chapter 7) while at the same time cutting deforestation by 80%. Ethiopia aims to become a middle-income country without increasing its greenhouse gas emissions and has developed the innovative Climate-Resilient Green Economy strategy to guide it in doing so. Costa Rica’s unique payment for ecosystem services programme, detailed in this report (Chapter 10, Local solution 1), is successfully reconciling poverty reduction and sustainable development objectives. Numerous other case studies were detailed in last year’s Development Co-operation Report.

Still, much more needs to be done. We are far from having a critical mass of countries that are systematically integrating environment into their poverty reduction strategies. Serious communication and co-operation obstacles persist in many countries among the economic, social and planning sectors, and between the environment and climate change ministries. In the international sphere, much more concentrated effort is needed to effectively promote coherence and collaboration among the climate and development communities.

For example, we urgently need coherence around the costly and perverse fossil-fuel policies prevalent in most of the countries around the world. Governments are spending billions of dollars every year on across-the-board subsidies for petrol and diesel. From 2005-11, OECD countries spent approximately USD 55-90 billion every year on fuel subsidies (OECD, 2013). In sub-Saharan Africa, energy subsidies on average account for close to 3% of gross domestic product – roughly the same amount that is spent on public health (Alleyne and Hussain, 2013). Countries of the North and the South agree: fossil fuel subsidies are inefficient and encourage wasteful consumption, and they also tend to favour the middle class and the wealthy much more than the poor. These investments could be targeted to provide benefits only for genuinely needy people, or reinvested to promote renewable energy or enhance energy efficiency. So why do we continue to provide subsidies that the world has agreed should be stopped?

**The Global Partnership for Effective Development Co-operation promises a way forward**

International politics, geopolitical alliances and economic power have transformed over the past 25 years. Today’s multipolar world is increasingly diverse and complex, yet at the same time there is growing opportunity for a mounting number of nations to exercise
leadership, influence and affirmative action. For shared challenges – such as poverty, climate change, regional conflicts, international trade barriers, financial market stability and global crime – we need to share solutions.

At the same time, all of these challenges apply to and impinge on development co-operation. Today the international landscape for development co-operation involves many more types of organisations, coalitions and resources than ever before in history – and there are also greater complexity, competition and management challenges facing development partner countries. It is vital to build understanding and mutual respect, and to share good practices across the international development community, if we are to respond wisely and efficiently.

The Global Partnership for Effective Development Co-operation is just what is needed. This unique coalition of governments, civil society, the private sector and international institutions was launched at the Fourth High-Level Forum on Aid Effectiveness in Busan in 2011. Its aim is to catalyse and co-ordinate global efforts and resources for more effective development. The Global Partnership will play a key role in helping development actors work together, discuss the pros and cons of diverse policies and instruments, share good practice, foster collaboration and promote concrete action – crucial pre-conditions for successfully implementing the post-2015 development agenda. It is up to all of us, now, to make use of this novel, inclusive partnership to improve our development co-operation efforts.

Concluding thoughts

We should never forget that extreme poverty is not just about living on less than USD 1.25 per day. It is about much more than being hungry, ill-housed, and unable to properly care for and educate the next generation. Poverty is also about vulnerability, humiliation, discrimination, exclusion and inequity.

I have enduring images in my mind of the human face of poverty. The indomitable strength and integrity of the young woman I met at a feeding station in drought-stricken Malawi, who had just taken on the responsibility of raising her dead sister’s three children – in addition to her own. The young, destitute Haitian mother who was intent on giving her child – born from a violent rape – the best care she could provide. The poor people crowding the ticket window in a train station on the Indian subcontinent, ignored by the station attendant who, nonetheless, readily sold me a ticket.

The world must understand and remember that human rights go beyond political rights: they include the right to education, to health, to security, to economic opportunity and to dignity. There are more than 1 billion people – approximately 22% of the developing world’s population – who still suffer from this inequity. Only by ensuring their full human rights can we remove the scourge of extreme poverty forever.

References

