

# **Report on the UN International Forum on the Eradication of Poverty**

By Alischa Kugel, Global Action on Aging

November 2006

In December 1995 the UN General Assembly declared the first UN Decade for the Eradication of Poverty from 1997 to 2006. At the outset, the GA urged governments, the UN system, the international community and global citizens to work to eradicate poverty. In September 2000, world leaders agreed on the Millennium Development Goals (MDGs), a set of goals for “combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women”<sup>1</sup> by the target date of 2015.

To mark the end of the first Decade, the UN organized an International Forum on the Eradication of Poverty to take place from November 15-16, 2006. The Forum aimed to address key developments in policy and practice as well as identify future challenges to “combat poverty in its various dimensions over the next ten years.” At the heart of the Forum also lay Millennium Development Goal Number 1: “Reduce by half the proportion of people living on less than a dollar a day and reduce by half the proportion of people who suffer from hunger.” More than 200 experts, including anti-poverty activists, field practitioners, economists, and other from non-governmental organizations, UN system organizations and trade unionist, attended the meeting.

Older persons constitute a significant percentage of people living in extreme poverty. In his opening speech to the Forum, José Antonio Ocampo, UN Under Secretary General for Economic and Social Affairs, estimated that more than 20% of the 700 million 60 year olds and older are currently living with less than \$1 or \$2 per day. Despite this high number, older persons are not specifically mentioned in the Millennium Development Goals.

The majority of speakers, particularly those working in the field, expressed disappointment on the efforts made to combat poverty during the past ten years. Speakers noted that in Africa the number of people living on less than one dollar a day actually increased over the last decade. However, the knowledge and experiences gained over the last ten years will prove valuable for the time leading up to 2015. Speakers identified three successful paradigms to poverty eradication – social security, employment and cooperation - and gave ideas as to how to implement these models successfully.

## **SOCIAL SECURITY**

Several speakers stressed the importance of social protection packages in combating poverty.

The right to social protection is laid down in the UN Universal Declaration on Human Rights and field studies have proven that social transfers, in kind or in cash, have lifted families out of poverty.

*Professor Peter Townsend*, from the Townsend Center for International Poverty Research, added a historical dimension to the discussion. Professor Townsend argued that the 30 member countries of the **Organization for Economic Co-operation and Development** have less people living in poverty than others because over the past 120 years, these countries have established and invested heavily in social protection schemes. The member countries with the least numbers of people living in poverty are those that have spent most on institutionalizing social security, in both universal and group benefit schemes. In these countries public spending on social security services often peaks above health and other services.

Professor Townsend urged the international community at large and developing countries in particular to learn from this historical lesson and to implement social security schemes. Governments in Africa, Brazil and Mexico have already implemented pilot schemes for universal social security systems. The Professor concluded by saying that these systems will help to “prevent destitution and increase standard of living for people across all generations.”

*Professor Michael Samson* from the Economic and Policy Research Institute in Cape Town, South Africa, described several South African case studies in which families received social protection packages that included social pensions for older persons living in the household, or heading the household. The findings showed that:

- a) households that receive grants spent them on basic necessities, health and education;
- b) children in households with a pensioner that received social pensions were taller and generally more healthy than others;
- c) older persons use their pensions to feed their grandchildren even before they eat themselves.

Quoting a village elder in saying “the wheels of the local community begin to grind on pension day,” Professor Samson demonstrated how the delivery of pensions to older persons not only affects the immediate family but the community as a whole. In addition, the Professor listed three common arguments against delivery of social protection packages and illustrated how his field studies have proved them faulty:

**Dependency** *Some argue that providing small financial contributions discourages job seekers from finding employment.*

However, field studies showed social transfers enabled job seekers to find employment as they had money to pay for transportation, etc.

**Conditionality** *International financial institutions, such as the IMF and the World Bank, impose conditions on the distribution of social protection packages. They demand, for*

*example, that families must send their children to school when they are receiving social transfers.*

However, households are often so poor that they have other priorities, such as shelter and sanitation. Or the family lives too far from the next school. Conditionality implies that the poor are poor because of their behavior. There is no evidence that conditionality is necessary.

**Affordability** *Social transfers cost money.*

However, the long term fiscal savings and economic growth impact helps the entire country. In addition, studies show that social transfers break the cycle of poverty for good.

Panelist *Jo Maher*, HIV/Aids coordinator at HelpAge International, presented on how social pensions for older persons help reduce poverty in a household. She drew on examples in which grandparents act as care-givers to children who have lost their parents in the raging HIV/Aids crisis, particularly in Africa and Asia. Ms. Maher said that the distribution of social protection transfers that include social pensions constitute an under-used policy. She added that children and older persons are not in competition with one another. The delivery of social protection transfers should encompass both, child benefit payments and old age pensions and not create an either/or situation.

## **EMPLOYMENT**

Older persons and particularly older women often spend their lives working in the informal sector, often due to a lack of “access to the relevant skills, capital and state resources that would enable them to secure better paid and more secure employment within the informal economy.”<sup>2</sup> Many older persons continue to work in the informal sector, as long as their physical health permits them to, in order to make a living. The discussion around employment, particularly around the informal sector, therefore is important for older persons.

*Mr. Riswanul Islam*, Director of the Economic and Labor Markets Analysis Department at the ILO, stated that his agency sees increased high level interest in its “decent work” concept. This model promotes “opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity” and aims at securing “rights at work, employment, social protection and social dialogue.”<sup>3</sup>

Increasingly, experts see employment and employment generation as the main tool to reduce poverty. However, while the world has experienced economic growth in the last few years, the labor market remains unchanged. Mr. Islam argued that economic growth alone is not enough. Instead, growth should be employment friendly. Poor people must have access to jobs, strong laws to shield them in the work place and social protection measures must be in place.

*Professor Martha Chen*, from Harvard University, emphasized the importance of employment for the poor, as what they earn is the only income for them. Professor Chen

regretted that employment creation is not one of the eight MDGs and that employment is neither a target nor an indicator under the first goal of eradicating poverty. As an example, she cited the 2005 UNIFEM publication “Progress of the World’s Women 2005: Women, Work and Poverty.” The report reviewed Poverty Reduction Strategy Papers in 41 countries and revealed that only five set targets to generate employment. In her speech, the Professor clarified that employment alone does not necessarily lift people out of poverty. She noted that most of the world’s poor actually are working. According to ILO estimates many working poor still earn less than a dollar a day, particularly in the informal sector. Stressing the importance of increasing income, Professor Chen proposed a three part strategy that mirrors the basic ILO’s agenda - rights at work, employment, social protection and social dialogue:

- a) new and better opportunities: economic growth does not equal employment intensive growth;
- b) access for the poor: targeted employment policies, skills training, and job matching;
- c) increase of incomes and reduction of high risk: poor lack organization and representation to achieve this goal. They also lack safety nets in the form of social protection.

Professor Chen concluded by saying that change can only be achieved if the visibility of the poor in data collection and statistics is increased. Government policies are often insufficient because of a lack of data. She added that representation of poor people in policy making is essential.

## **COOPERATION AND PARTNERSHIP**

To develop a global partnership for development is number eight of the Millennium Development Goals. Almost all speakers stressed cooperation and partnership between all stakeholders as an essential element in the fight against poverty. Many presentations demonstrated that not only is there a lack of cooperation amongst the various UN agencies, governments and international financial institutions, but also a lack of inclusion of those who are ultimately affected by poverty the most – poor people. Not including poor people in policy decision making often leads to the implementation of inappropriate policies.

Both *Professor Peter Townsend* and *Professor David Gordon*, from the Townsend Center for International Poverty Research, pointed out that when surveyed, poor people named shelter and sanitation as their priorities. In contrast, development policies for years have focused on education and health – two important essentials in poverty eradication but not priorities for the poor. Poor people are also highly invisible. National statistics often have incorrect, if any, data on people living in poverty because they often lack identification cards and/or housing and are thus excluded from national censuses. Poor people must have strong representation and be included in policy making processes. Policies need to be adapted to reflect the underlying, multiple causes of poverty.

Only sturdy cooperation between the public and private sector, the UN system and people's organizations can achieve the necessary changes. Older persons' organizations in particular have to build a stronger network to give poor older persons the strong voice they need to be heard.

## IMPRESSIONS

The opening ceremony of the Forum began with a bleak outlook toward the goal to halve the number of the world's poor by 2015. The message was clear – if we don't change existing economic policies and push our commitments further, we won't succeed. And yet, the atmosphere wasn't completely pessimistic. Many of the speakers and participants didn't seem discouraged but ready to continue the struggle. Many acknowledged that policies are beginning to change, that the last ten years brought about lessons learnt.

In a discussion dominated by issues facing children, youth and people in their reproductive years, most panelists ignored older persons. Global Action on Aging welcomed that several speakers did mention older persons living in poverty. *Ms. Rajul Pandya-Lorch*, Head of the 2020 Vision for Food Initiative and Chief of Staff of the International Food Policy Research Initiative, called the Forum's attention to the increasing number of older persons around the world. She warned that if policies are not adjusted to include this population group, many millions more may fall into old age poverty. Global Action on Aging urges that rich countries must also review their policies, especially on social security. Many rich governments want to reduce further the financial support for social services. In addition, privatization of social security schemes is on the agenda of almost all western governments, while at the same time poverty rates of their populations, including their older population, are mounting.

In 2000, when 189 heads of state committed to the Millennium Development Goals, some activists said: "What's the point of reducing by HALF the number of people living on less than a dollar a day? Why not lifting all poor people out of poverty?" But as Professor Townsend said: "We mustn't allow ourselves to be too general and just go for all causes of poverty... denying ourselves some immediate answers to eliminating poverty." We have to choose an effective way and follow the path, working together to achieving change – NOW!

---

<sup>1</sup> "The Millennium Development Goals and the role of the United Nations," *United Nations*, October 2002, <<http://www.un.org/millenniumgoals/MDGs-FACTSHEET1.pdf>>

<sup>2</sup> "Progress of the World's Women 2005: Women, Work and Poverty." *UNIFEM*, 2005, < [http://www.unifem.org/attachments/products/PoWW2005\\_eng.pdf](http://www.unifem.org/attachments/products/PoWW2005_eng.pdf)

<sup>3</sup> "Decent work – the heart of social progress," *ILO*, < <http://www.ilo.org/public/english/decent.htm>>