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PDD/CPR/INF.2

8 October 2003

ENGLISH ONLY

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Committee on Poverty Reduction

First session

8-10 October 2003

Bangkok

The attached paper, entitled: “The Millennium Development Goals (MDGs) and the eradication of extreme poverty and hunger”, is intended to provide participants with background information from the perspective of the Asia Pacific Civil Society Forum for the discussion of item 4 of the provisional agenda.

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Note: This background paper was prepared by the Asia Pacific Civil Society Forum held from 6 to 8 October 2003 as a side event of the Committee on Poverty Reduction. It has been reproduced without formal editing. The views expressed in

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**The Millennium Development Goals (MDGs)  
And the Eradication of Extreme Poverty and Hunger**

**Discussion Paper**

**Asia Pacific Civil Society Forum  
Bangkok, Thailand  
October 6-8, 2003**

*The term “civil society” has been appropriated by mainstream development agencies. It has been erroneously defined to include non-state actors such as the business sector. In this document, we use “civil society” to mean non-state, non-business actors such as social movements, non-government and peoples’ organizations, and most especially, the organizations of the poor.*

**I. Introduction: The Poverty Problem**

According to the Human Development Report, the number of people living in extreme poverty has increased by almost 100 million while total world income has increased by an average of 2.5% annually since the 1980s. At least 54 countries are poorer now than two decades ago. More than 800 million people suffer from malnutrition, more than 13 million children have died because of diarrheal diseases and, every year, over half a million women die during pregnancy or childbirth.

Despite some countries registering impressive economic growth rates, the Asia Pacific region continues to have a sketchy track record in reducing poverty and hunger. On one hand, East Asia has been hailed as a phenomenon in terms of its ability to register growth and transform economically within short periods in the 1980s and the 1990s. India and China are seen as the newer emerging economic powerhouses in Asia. At the same time, the entire region is home to the largest concentration of people living in poverty and hunger, with specific sub-regions serving as pockets of extreme poverty. South Asia, in particular, remains one of the world’s poorest regions and because it is so heavily populated, it is home to the largest number of poor people. More than one-third of South Asians lack access to sanitation, one-third are in poverty, one-quarter are hungry, one-fifth of children are out of primary school, and one out of ten children die before they reach age five. Two of five poor people live in South Asia, and one in four are in East Asia and the Pacific. Forty percent of world’s undernourished people live in South Asia, and 24 percent in East Asia and the Pacific (Human Development Report 2003).

The deterioration of poverty conditions is accompanied by an increase in global inequality. The richest 1 percent of the world’s population now receives as much income as the poorest 57 percent, and the income of the richest 25 million Americans is the equivalent of that of almost two billion of the world’s poorest people.

The Asia Pacific region is home to stark inequalities in wealth, assets, incomes and opportunities among peoples within national boundaries. Across the region, inequalities in the quality of life and access to opportunities for human development are generally sharpest between rural and urban areas. In both rural and urban areas, ethnic minority and indigenous peoples' communities, marginal farmers and fishers, forest and upland communities, migrants, workers and women carry a disproportionate share of the burdens of extreme poverty and hunger. More and more workers, especially women, are moving from the relatively protected formal sector to the unprotected informal sector. This is accompanied by a concentration of assets and resources in the hands of traditional elites and the newly prosperous, who have been able to take advantage of the economic opportunities offered by modernization and globalization.

The geo-political situation in the region also has particular bearing on the incidence of poverty and hunger. In their stated bid to ensure national security, governments are spending more on arms and defense, and less on social security and protections, public distributions systems and welfare enhancing programmes. Today, the "war on terror" has taken precedence over the war on poverty and hunger, and provides a useful cover for governmental failure to not prioritize national resources for the eradication of poverty and hunger.

While current conditions and processes of impoverishment and hunger must be urgently addressed, poverty and hunger are not "current conditions". The poor and hungry are products of historical processes of marginalisation, mal-development, expropriation and exploitation. Addressing poverty and hunger requires addressing the social, cultural, political and economic forces and processes that perpetuate vulnerability and marginalisation. Failure in this is the reason why, despite the millions of dollars that are spent every year on development and poverty reduction projects, absolute impoverishment has not decreased significantly.

In the second half of the 20<sup>th</sup> century, the international community responded to pressing issues of poverty and hunger in terms of packages. These included post-war reconstruction, development, structural adjustment, growth with equity, and so on. However, these packages largely failed to address the core issues of poverty and hunger. At the close of the 20<sup>th</sup> century, the international community adopted a new package, that of poverty reduction. The multilateral system, bilateral donor community, development banks and international financial institutions (IFIs) all adopted "poverty reduction" as their primary agendas. In 1999, the World Bank and the International Monetary Fund (IMF) renamed their respective structural adjustment programmes (SAPs) as the Poverty Reduction Strategy Papers (PRSP) and the Poverty Reduction and Growth Framework (PRGF). The PRSP-PRGF are now being used by donors and multilateral agencies—including the United Nations--as guidelines for national development in all low-income borrowing countries.

In September 2000, the United Nations (UN) General Assembly adopted the Millennium Declaration, which updated many of the development goals originally set (and not met) for the year 2000 and reformulated them for the year 2015. Some of the goals and targets of the Declaration were later refined into what are now known as the Millennium Development Goals (MDGs). This paper offers a framework for

discussion on Goal 1 of the MDGs: Eradicate Extreme Poverty and Hunger. The Goal has two targets:

- i. Halve, between 1990-2015, the proportion of people whose income is less than one dollar (US\$1) a day;
- ii. Halve, between 1990-2015 the proportion of people who suffer from hunger.

Focussing on the situation in Asia and the Pacific, this paper attempts to provide an alternative elaboration of the causes, elements and dimensions of extreme poverty and hunger, and the various constraints governments, national communities, and the global community face in addressing them. The paper offers key themes towards a new perspective for looking at extreme poverty and hunger, and initial ideas (both conceptual and practical) on the possible roles of different community, national and international actors in tackling the main challenges. A number of developments in the past decade – the financial crisis in Asia, the fragility of consensus in international trading bodies, the growing realisation that a number of past policies/programmes implemented through international institutions have failed to achieve most of their goals – have revealed themselves as integral factors in the crises of extreme poverty and hunger. They are vital sources of lessons towards possible solutions and suitably addressing them are challenges for us in the emerging decade.

## **II. Challenging the Way We Look at Poverty and Poverty Reduction**

Absolute poverty is the main indicator used to assess progress towards the MDGs. It measures the proportion of a population surviving on less than a specific amount of income per day. This specific amount is the poverty line, or the level of income needed to meet basic needs for daily survival, and it varies from country to country. Shifting the poverty line by just a few units of the national currency can significantly alter the picture we get of poverty in that country in terms of how many people we consider living in or out of poverty. For example, the poverty line applied in Sri Lanka is one-third of the globally accepted US\$1 a day standard.

To address the comparability issue, the World Bank uses an international (extreme) poverty line of US\$1 a day. Based on national poverty lines from a sample of developing countries, the assumption behind the international poverty line is that after adjusting for cost of living, US\$1 a day per capita is the average minimum consumption required for subsistence in the developing world. While such an indicator does serve some useful purpose in inter-country and inter-regional comparisons, it tells us little about how people in different countries, regions and conditions experience poverty and hunger.

The predominantly income-based definition of poverty is inadequate to tackle trends and dimensions.

### ***The Nature, Dimensions and Manifestations of Poverty***

The actual experiences of farmers,' fishers,' workers,' women,'s indigenous peoples', minority community, and consumer organizations and networks, and non-governmental organizations (NGOs) working with a variety of socio-economic and

ethnic-cultural groups show that poverty and hunger are manifested and entrenched through a variety of ways:

1. *Access Issues.* Access of many communities and groups to essential services such as housing, water, education, health care and electricity has deteriorated over time. This has serious impacts on peoples' health, opportunities for human development, physical and social security, potential for decent work, ability to access sufficient food, information, etc.

An increasing lack of access to food despite increased agricultural production and distribution systems contributes to the prevalence of hunger and malnutrition (for e.g., India).

2. *Community Resources and Processes Under Stress.* The pressure to produce at commercial scale, the deregulation and liberalization of the agriculture sector, and the often-haphazard implementation of sectoral reform programmes, result in increased stress on small and family-based agricultural production. The pressure to produce at "competitive" levels is aggravated by the downward pressure on the prices of their products due to competition from cheaper imports. Prices of farm inputs, largely controlled by transnational suppliers and large local agribusiness firms and distributors, continue to rise even while prices of farm products stagnate or even fall, leaving producers with marginal incomes and sometimes even losses.

The privatization of electricity and water sources has added to these difficulties. Many agricultural producers have heavy debts to both, private money lenders as well as government banks/credit agencies, and mortgage their lands in order to obtain more credit to repay old debts, and so on. Particularly burdened are rural women who generally have no or little access to land and other assets, and serve as unpaid family workers in agricultural production. In the midst of decreasing incomes and resources, they are expected to provide food and other basic family needs by working more and doing with less.

In many countries (for e.g., Bangladesh, Sri Lanka and the Lao PDR), there is increased pressure by International Financial Institutions (IFIs) such as the World Bank and the Asian Development Bank (ADB) to export natural resources that are critical to the lives of local communities. IFIs claim that these exports are essential in order to generate revenues to repay outstanding external public debts and finance future development programmes.

Such stress has turned resulted in increased migration of agricultural workers and producers from rural to urban areas and across rural areas in search of seasonal employment filling up low-quality jobs in the informal economy, and in the case of women and girls, ending up in prostitution or domestic service. Migration under condition of economic stress exacerbates food insecurity. Many have lost their lands and assets altogether to banks, moneylenders, local landlords, and private agricultural companies. In the direst situations—for e.g., in India, Sri Lanka and South Korea—farmers' suicide is on the rise. Ironically, while national level defaulters on debt receive greater facilities to "restructure" debts and continue borrowing, the overwhelming burden of national debt is borne by the

poor: small-scale agricultural producers, workers, migrants and rural communities living in resource rich areas.

3. *Decreasing Quality, Quantity and Stability of Employment.* The closure of manufacturing units and the relocation of production facilities due to industrial adjustment are often not mitigated by the rise of new industries and opportunities. The resulting unemployment and underemployment are huge. Shifting production methods have particularly impacted those who have traditional skills and inadequate access to modern skill learning environments. At the same time, there has been tremendous pressure to adjust labor and social legislation in favor of shifting industries, resulting in even lower protection for workers.

The increasing flexibilization of labor undermines job security by relying on temporary, contractual and subcontracted work in labor-intensive, export-oriented and service industries, and provides lower wages and less protection than regular workers. Displacement from formal employment as well as the continuing lack of remunerative work further leads to the further entrenchment and expansion of the informal economy.

4. *Indigenous peoples/ethnic minorities in the Asia-Pacific Region are one of the poorest groups in their respective countries/communities.* This is despite the fact that regions inhabited by indigenous peoples/ethnic minorities have served as the resource-base for extractive industries in the name “national development .” Wealth generated from indigenous territories do not trickle down to the people who have nurtured these lands and resources since time immemorial. Indigenous peoples are often forcibly (and violently) displaced from their ancestral land/domain to give way to mining, logging, hydroelectric dams, etc. The rights of indigenous peoples/ethnic minorities to their lands, and to their self-determination are still not recognized by most nations in the Asia-Pacific region.
5. *Lack of Coping Mechanisms.* Coping capacities among poor rural and urban communities are being eroded, making them less able to respond to economic and natural crises, and make them more susceptible to risk. The erosion of coping strategies are due to increasing and chronic indebtedness, landlessness, involuntary migration and displacement, poor public provision of essential services, and market based pricing of food and other essential items.
6. *Social and Economic Dislocation.* More and more communities are being displaced from traditional lands, forests, watersheds, eco-systems and means of livelihoods because of privatized property regimes, export oriented growth strategies and the destruction of traditional safety nets. Migration across rural and urban areas in search of work and livelihood, and often for sheer survival, is now a common feature in the Asia-Pacific region.
7. *Political Dislocation and Disempowerment.* Poor people, often due to their impoverished situations and historical socio-economic conditions, are marginalized from political and decision-making processes, and from shaping national and local development policies to respond to their needs. Those who lose, or do not have the protection of citizenship such as indigenous peoples, refugees and internally displaced peoples are denied even the most basic rights

and excluded from decision making processes about their own futures. Examples include Bhutanese refugees in Nepal, Rohingyas in Arakan State in Burma and upland ethnic groups in Thailand.

8. *The nation state is not a neutral entity*; the ruling elite—including bureaucratic actors and political parties—are able to discriminate against groups and communities that do not support them. Similarly, the policies of one country can have spill over impacts on communities in another country, for e.g., dam and river projects that cause flooding in neighboring countries, national policies that result in the creation of refugees, etc.
9. *Environmental Degradation and Pollution*. Rapid industrialization, urbanization and commercialized agriculture have reduced the natural resources available to poor communities in rural areas and directly impact on the health of both rural and urban poor. High-grade food production lands are converted to nature resorts, tourism and housing complexes, or pass into the hands of wealthy private entrepreneurs. Communities reliant on such lands are increasingly compelled to use marginal lands and resources for survival (i.e. they need to make higher investments for lower output). In many countries, the IFIs are supporting projects that damage eco-systems and result in environmental contamination.
10. *The Gender Gap*. Women are often worse affected than men in the same given circumstances and conditions. The marginalisation of women has structural roots at the state, community and family levels. In many societies, men are regarded as the heads of households and the sole owners of land and other property. Women are closed off from equal access to credit, education and other development programmes. Women are not sufficiently represented in decision-making bodies from village councils to province/state and national legislatures and executive bodies.
11. *Children are the most vulnerable among all groups to conditions of poverty and hunger*. Lack of food, nutrition, social and physical security, healthcare and education, affect both, the present and future capacities of children. Increased stress on the abilities of families and communities translates into compounded impacts on children for years to come. Across the region, there has been little significant decrease in exploitative child labour, while the trafficking of women and children is on the rise.
12. *Graft and corruption in government* are a significant cause of continuing poverty and hunger.
13. Poverty and hunger are denials and violations of *human rights*. They result in exclusion, and feelings of hopelessness and helplessness among affected communities.
14. Poverty, hunger and malnourishment, displacement and lost livelihoods are also a result of *wars and conflicts*. At the same time, economic policies that privilege some groups and create deprivations and suffering among others result in societal tensions, conflicts and wars. Women and children are particularly vulnerable groups in such conditions and have often borne the brunt of impacts.

## *The Limitations of the Growth Response*

Just as the determination of poverty tends to be narrowly income-based, so does the response to poverty. The emphasis has been on rapid economic growth at the cost of equity and equality, and there had been strong de-emphasis on and negative criticism of direct intervention by governments.

There is a basic contradiction between poverty eradication and the growth oriented development strategies being narrowly applied that need to be threshed out so that a meaningful discussion of alternatives can be possible.

Many studies show a correlation between economic growth and poverty, and that countries with the fastest growth have registered higher poverty reduction gains. At the same time, countries with high growth figures have also registered increases in inequality. The benefits of growth have clearly not been equitably distributed among all sections of society. The prescription for economic growth has veered away from the development of internal capacities and markets, and concentrated disproportionately on opening up domestic economies to external economic forces and reliance on exogenous factors – for e.g., demand for exports, terms of trade, foreign investment, etc. The diminished attention given to local endowments and internal economic capacities affects and often hinders the adoption of policies that can address extreme poverty and hunger. It is also important to distinguish between economic growth per se and policies that are purported to increase economic growth. Many such policies have indeed not led to higher growth and have proved to be anti-development. For instance, despite years of structural adjustment, Sri Lanka has not achieved the promised growth, let alone benefits of development.

The narrow focus on economic growth has not only failed to eliminate poverty. It has also resulted in policies that have created new forms of, or aggravated existing conditions of poverty and hunger. For instance, SAPs institutionalised policies that opened up economies and shrunk governments' direct responsibility for redistribution of assets and benefits. Public support and subsidies were systematically torn down, and market-based price systems were made the primary determinant of allocation and distribution. With privatisation and the withdrawal of government subsidies for domestic industry, a significant proportion of the work force was shunted into the informal sector. By and large, economic growth has been achieved at the cost of well being among workers, small-scale agricultural producers and consumers; for e.g., low wages and decreased protection for workers.

One of the problematic areas of structural adjustment is trade. It is often claimed that trade liberalisation leads to economic growth and poverty reduction. Yet, there is no convincing evidence to prove this claim. Instead, developing countries that shed existing protections are unprepared for the difficulties they face in open trade regimes, and are thus unable to address the displacements they experience.

The focus on rapid growth has also belied the vulnerabilities developed by economies and communities to the measures adopted to achieve it. Economic crises triggered by financial instability and sharp currency fluctuations, for instance, have had deleterious impact on both growth, as well as poverty reduction. The financial crisis that started in East Asia in 1997 not only started a domino effect of

financial crises all over the world. It also eroded much of the limited poverty reduction gains achieved in East Asia over the last 20 years. The crisis also highlighted the fragility of the subregion's financial system, and affected different subregions as well.

Aside from their failure to address the non-economic dimension of the problem, most work on poverty reduction so far is limited to the calculation of how much growth is necessary to reduce poverty by a given time. However, for extreme poverty, internal policies and public expenditures on key social services are crucial. An important issue that has so far been ignored when talking about extreme poverty, and extreme hunger, is the imperative for direct government intervention.

New initiatives, such as the PRSP, are supposed to address direct intervention issues. But the PRSP is in the mould of traditional debt relief packages that are tied to specific programmes. An initial scan of existing PRSPs also reveals that far from being a poverty reduction model, the PRSP is actually a repackaged growth and structural adjustment model. Most of the elements found in the SAPs of the 1980s and the 1990s are also found in the PRSP.

The various debt relief initiatives have failed to bring about a more comprehensive solution to the financial situation of poor developing countries. Because most debt relief programmes have been tied to specific economic programs, they limit the potential gains for fiscal relief for developing countries. Thus countries availing of debt relief have only limited space to initiate and fund what could be more appropriate internal policies.

The question of whether or not growth leads to poverty reduction remains controversial, and it is a more widely accepted notion that growth alone is insufficient to address poverty. A broader issue that needs to be discussed is whether the increase in money income and the transformation of informal subsistence economic activities into the formal monetarised system as a result of growth, actually translate into a better quality of life, or, whether it is indeed a better state of being to aspire for. In conventional economic and development discourse, poverty is defined in terms of lack of income, housing and other material goods. However, for many communities, such as indigenous peoples, poverty and wealth are linked with land, water, bio-diversity, and other ecological and socio-cultural factors. The US\$1 a day mark has little meaning for them, but the destruction of traditional environments through mining and logging has enormous significance for how these communities can sustain themselves.

### ***The Dynamics of the International Trade and Finance System and Links to Poverty***

The global trade and finance regimes are highly unequal and non-transparent, and are disproportionately weighted on the side of rich countries. International institutions tend to develop agendas of their own with little semblance to the requirements of individual country members. The result is a one-size-fits-all approach that has time and again failed.

The global trade and finance regimes have impacts at local levels. It is already well documented that fluctuations in world commodity prices can mean survival or

destruction for millions of farmers in the region, and the volatility of finance capital can likewise result in the loss of millions of jobs. Speculative capital is essentially non-productive and increases the exposure of recipient countries to financial risk.

The present global financial system is not transparent, (many financial transactions, including those involving speculative activities, highly-leveraged institutions such as hedge funds and derivatives are non-transparent and non-accountable); it is not rules-based (there is absence of or inadequate regulation over many kinds of activities of the financial institutions and over the massive international flow of funds; and it is also not predictable (amply demonstrated by the volatility, fluctuations and unpredictability of exchange rates and sudden inflows and outflows of funds countries are subjected to).

The lack of regulation and predictability of the global financial system has been a source of financial and economic destabilisation for many developing countries with far reaching consequences on poverty. Countries should therefore determine for themselves, without pressure, the appropriate degree, rate and type of financial liberalisation that they should undertake, consistent with the objective of poverty reduction.

Longer-term capital flows such as FDI have generally been regarded as entirely beneficial to development. Hence transnational corporations have been arguing and pushing for rules that would allow them the freedom to invest without restrictions. The reality is that FDI comes at a price, and the costs must be outweighed by the benefits in order for FDI to play a pro-developmental role. Therefore, policies that seek to maximise the benefits such as equity-sharing, technology transfer arrangements and other forms of performance requirements, and to take account of risks and minimise them, especially potentially large drains on foreign exchange through high import content and large profit repatriation, must be in place.

Complex as it is, the issue of poverty has not been addressed fully due to the lack of accountability and sharing of responsibility for failed policies and development approaches/models among governments, donors and international institutions. There are also constraints offered by the political dynamics at the national level between governments and civil society, and at the international level among governments, and between governments and the international trade and finance system.

The globalized trade and finance system offers many challenges that must be met. Lack of control over a system several layers detached from them leaves the poor at the mercy of decision-makers that are equally remote to them. One of the biggest challenges here is the accurate translation of local realities and experiences into responsive and meaningful policies and programmes at the national and international levels.

The challenge for governments is in finding ways to integrate into the global governance system and the global economy on their own terms, minimizing risks and retaining sufficient space for protective measures. Unfortunately, there is unevenness of capacity among governments to engage with the global system. A concrete manifestation of this is the failure to identify and develop national development

agendas, and the reliance on international institutions to formulate domestic policies. Small countries cannot hope to intervene meaningfully in international bodies without first formulating an internal, cohesive development agenda of their own. Cohesive national agendas must be rooted in real political economy and felt needs and limitations, more than on sophisticated modelling and number crunching.

### ***Summary***

A significant challenge in eradicating poverty and hunger has been the inability of past and present poverty reduction programmes to suitably address the distribution of resources, opportunities and impacts arising from policies and programmes. Policy and governance regimes do not affect all socio-economic groups, women, men, children and the elderly in the same way. Because of both, historical and current positions of advantages and conditions of marginalisation, people in the same country and even the same local area experience the results of these regimes differently. Liberalization and privatization may offer gains to those already better off and with the ability to access the opportunities that arise from these trends. But in far too many instances, it has left lower-end and primary producers, workers, and cash poor rural and urban communities much more vulnerable than before, since they have to compete for income, services and opportunities in new, unequal and unpredictable market conditions, but without protection against the risks that new conditions bring.

In recent years, some people have even suggested that along with a poverty line, societies also establish “wealth lines,” which would indicate levels of income above which, people would be considered scandalously rich.

On balance, the drive towards modernization, rapid economic growth and export led development has resulted in a net transfer of wealth, resources and opportunities from the poor to the rich, rural to urban areas, workers to corporations, and agricultural producers to agribusiness corporations. Present gains are valorized over future costs (as is evident in the ecological degradation that has resulted from unregulated investment and resource extraction projects) even as promises are made that present day suffering will bring future economic gains (as in past SAPs and current PRSP frameworks). Not only have market-dominated development strategies failed to deliver benefits to all, but they have also resulted in a perverse redistribution of the wealth of societies, where the poor subsidise the rich both, within and outside national boundaries.

### **III. Barriers to Tackling Extreme Poverty and Hunger**

Unless the MDGs can suitably address the core causes that create and entrench poverty and hunger, they are irrelevant. The main barriers to tackling extreme poverty and hunger are not limited to lack of resources and finances, although both are critical to redressing the current imbalances of massive wealth and extreme poverty, and excessive consumption and hunger. There is enough food in the world to feed everyone adequately, enough money to cancel the debts of the poor, enough resources to create decent jobs for all, and enough wealth to eliminate poverty in a sustained manner. What seems to be in short supply are political will and

commitment to tackle the structural foundations that create and entrench these imbalances.

***On the Part of Civil Society/Peoples:***

*Few possibilities to engage with own governments in policy making.* The capture of the national policy space by multilateral and international institutions limits the space left for citizens to participate in determining or shaping national policy. It is extremely unfortunate that governments implement prescribed policies that are informed more by academic and ideological influence than by an appreciation of the huge distributional impacts of development policies.

*Civil society-government relations are often characterized by a lack of trust.* The credibility and legitimacy of civil society are frequently questioned by governments and governments are quick to dismiss criticisms of national policies as “anti-development.” Likewise, many civil society groups do not easily trust governments either.

*Narrow base of participation and lack of continuity of engagement in international policy issues and fora.* Participation in such fora is usually limited to well-resourced NGOs and specific civil society lobby formations. The voices of larger civil society, i.e., social movements, local workers’ organizations, farmer and fisher groups, women’s movements, migrants, ethnic and indigenous peoples’ groups and rights networks are not given sufficient consideration.

However, the exclusion of larger civil society many not necessarily be deliberate or willful. Many movements and networks are unfamiliar and therefore uncomfortable with the nature of policy language that dominates international policy fora. Many are also unwilling to engage with platforms that display undue influence by external agencies. In their view, it might be a better use of their time and efforts to concentrate on their specific struggles than participate in processes with uncertain outcomes.

***On the part of Governments:***

*Commitment to neo-liberal development approaches despite emerging evidence of their negative impacts.* Governments in most developing countries seem either unable or unwilling to address the structural causes of extreme poverty and hunger. In general, there appears to be an uncritical acceptance of prescribed growth models, and slowness in adjusting to their negative impacts. Part of the reason for this is the policy conditions that accompany support from donors and official creditors. At the same time, governments themselves seem closed to exploring development models that structurally prioritize the elimination of poverty and hunger over rapid economic growth.

*Access to capital and development financing.* For many developing countries, access to finance capital and development financing remain challenging issues. Most governments raise money for development and anti-poverty programmes through external finance including Official Development Assistance (ODA), debt, export revenues and financial markets. This is accompanied by diminished capacity for domestic resource mobilization for development, welfare and poverty reduction.

Such a situation narrows the policy flexibility available to governments to regulate key economic sectors and re-direct spending in accordance with local/national priorities if these priorities conflict with conditions that facilitate access to capital and development financing.

*Lack of political will* to listen to their own peoples and nurture alternative models of development and development financing. This is accompanied by a failure to address the diverse dimensions of poverty and to translate anti-poverty rhetoric into action. For instance, existing labor laws and laws to provide social protection, and make government agencies and investors accountable are rarely enforced.

*Failure of government and markets to distribute resources, assets and “benefits” of development equally and equitably across socio-economic and cultural groups, gender and regions.* Markets have repeatedly proved to be inappropriate and inequitable allocators of resources and benefits. Most developing country governments have failed to address the deepening inequities that have arisen from market-based reforms and structural adjustment programmes. Distributional issues also receive insufficient attention in policy making since policy processes are usually dominated by a small national elite. For many critics, poverty reduction is more an effort to increase local purchasing power in support of market expansion, rather than a genuine effort to address urgent problems of hunger and deprivation.

*Limited efforts by governments and international bodies to share information about the MDGs and other international policy initiatives that claim to tackle poverty and hunger.* Many civil society networks working at the grassroots and local levels on poverty and hunger are not familiar with MDGS, the Millennium project and other related international programmes/ initiatives. As a result, the wealth of knowledge and experience of such networks does not inform MDG implementation efforts. The MDG targets are also not meaningful to the poor themselves. The targets do not provide enough incentives for the poor to participate since the targets are too distant from the urgent conditions of the poor.

#### ***On the Part of Donors, the IFIs and the UN:***

*Inability or unwillingness to address the structural causes of extreme poverty and hunger.* For the most part, donors, IFIs and the UN seem unable to move away from the neo-liberal policies that characterize the post-development era. Varying versions of these policies have been the cause of deterioration of living conditions under past structural adjustment programmes. But donors and international agencies are either unable, or unwilling to critically examine the role of these policies in creating and entrenching conditions of poverty and hunger.

*Lack of accountability to aid and loan recipient governments and peoples for failed programmes and faulty policy advice.*

*Inability or unwillingness to meet their obligations to developing countries without using policy conditions as political leverage.* For the most part, donors and creditors continue to insist on their preferred policy prescriptions as conditions attached to aid and loan programmes. They thus undermine sovereignty and democracy in recipient countries.

*Contradictions between the stated goals of eradicating extreme poverty and hunger, and the development policies promoted by donors, IFIs and the UN.* The policies and economic strategies promoted by the IFIs, regional banks, and bilateral donors/creditors often contradict important UN conventions on development and human rights, and undermine the UN's commitments to the MDGs. The UN Sub-Commission on Human Rights has noted that the policy conditions attached to World Bank-IMF debt relief and PRSP-PRGF programmes undermine the policy sovereignty of developing countries and obstruct developing countries from meeting their human rights obligations to their citizens.

Although UN agencies and programmes play focal roles in promoting and implementing the MDGs, the global trade and finance regimes are beyond their control or influence. But rather than push for reforms to make these regimes subservient to development and human rights goals, the UN system has moved towards reforming its own approaches to make them coherent with IFI policies. For example, UNDP and the World Bank have entered into a joint partnership to implement the MDGs, thus potentially closing off critical examination of the impacts of World Bank-IMF in creating poverty through their structural adjustment programmes.

*Lack of awareness and/or acceptance of alternative approaches to reducing poverty and hunger.* A number of local, national and regional groups and networks have engaged with communities in efforts to reduce poverty and hunger that are successful, sustainable and empowering. But most UN and other donor agencies are not aware of these efforts, and their own programmes are not informed by the wealth of knowledge and experience generated by these efforts. For the most part, the UN and other donors operate in a world that appears to be disconnected from some of the most innovative and instructive initiatives in reducing poverty and ensuring food security and sovereignty.

*The “professionalisation” of poverty:* In a bid to avoid approaching poverty and hunger as political issues, there are tendencies among governments and donors to address poverty and hunger as technical problems, to be solved by technocrats and professional consultants. In fact the business of poverty has proved to be extremely lucrative for the “poverty experts.” Donor agencies tie their aid packages with the purchase of goods and professional services from their own countries.

#### **IV. The Challenge Ahead: What is to be Done?**

Extreme poverty and hunger cannot be addressed in a sustained and long-term manner unless governments and civil society work together. Civil society groups have the knowledge, experience and networks at multiple levels to elaborate and scale-up alternatives to the current development model. Many also have the expertise to provide feedback to governments about the impacts of policies and programmes. Governments have financial, political and institutional resources and the power of policy to make these alternatives a reality. Civil society and governments need to find ways in which they can play mutually critical and complementary roles in efforts to eliminate extreme poverty and hunger, and to build each other's capacity in this endeavour.

Civil society and governments will play differing roles in any collective endeavour and often, these roles are likely to be conflictive and even antagonistic. But this is no reason to not go ahead. Governments cannot respond to the development priorities of their countries without the active and informed participation of their peoples. Similarly, people need strong governments that can ensure equity, equality, and justice, and translate their constitutional and universal rights into everyday reality through appropriate policies and programmes.

Following from above, we put forward the following recommendations:

1. The MDGs sideline the more critical and important issue of human rights. Certain norms and standards are particularly pertinent in addressing the problem of poverty, such as effective non-discrimination, the recognition of vulnerable groups, the right to an adequate standard of living, the right to be free from hunger, the right to economic self-determination and the right to development. The Committee should affirm and operationalise rights based approaches to poverty eradication. Civil society organisations have already adopted this approach in their fight against poverty.
  - a. Development policies, programmes and governance regimes must address the foundations of marginalisation of specific groups such as women, ethnic minority and indigenous communities, and those who have been systematically discriminated against on the basis of race, culture, religion or occupation.
  - b. Special attention must be given to the particular risks and needs of children. Children, especially girls, are the most vulnerable to conditions of impoverishment, deprivation and hunger.
2. The MDG 1 formulates the problem of poverty too narrowly in terms of vision, scope and direction. It is not simply just a numerical target to be achieved by a certain date and by technical fixes. Durable and sustainable solutions to poverty will require the active involvement of the poor and civil society, a more comprehensive understanding of the root causes of poverty and its multidimensional and diverse consequences and the right policies.
3. In this respect, the practice of measuring poverty in terms of income and consumption levels is inadequate. We urge the Committee to take into consideration political, social, cultural and human rights dimensions, determined by factors like class, gender, race, geography and ethnicity. This broader definition is necessary in designing more sensitive and responsive policies and programs on poverty.
  - a. Challenge the international “poverty line” approach to the eradication of extreme poverty and hunger. The US\$1 a day standard may be useful for global analysts to compare across countries, but it is an inaccurate and misleading indicator of how people live, survive and eat in varying local and national conditions.
  - b. Alternative indicators and benchmarks, including those which more accurately capture the extent of women’s poverty and the degree to which women are poorer than men, are needed for poverty and hunger

eradication that accurately reflect the diversity across the Asia-Pacific region.

- c. Similarly, measures that adequately indicate the poverty situation of other vulnerable groups, including children, older persons, people with HIV/AIDS, displaced peoples and refugees, migrant workers, retrenched workers, workers in the informal economy, indigenous peoples, and residents of disaster-prone geographical areas should be instituted.
4. The participation of people at all levels and from all social, cultural and economic backgrounds is imperative for reducing poverty and hunger. However, peoples' participation cannot be restricted to implementing government or donor led programmes. Instead, the people of a country must have sufficient voice and power in shaping the country's development model and in deciding how the resources of the country will be used. Such crucial decisions must not remain the preserve of any select or elite group. Poverty and hunger cannot be eliminated without the democratisation of policy making to the most local levels possible.

In order for participation to be meaningful and genuine, responsibilities and roles in the fight against poverty should not be defined for civil society and the poor. The current process of formulating and implementing poverty reduction policies has not been successfully tackling the roots of poverty. This is due to the fact that the poor themselves are excluded in the whole process. We recommend the following principles as guidelines to be adopted by UNESCAP and every individual government in the Asia-Pacific region.

- a. At macro level, decision of poverty reduction policy and project must seek the consultation of the civil society and organization of the poor prior to the implementation. The consultation and selection of participation process must be transparent and accountable.
  - b. At micro level, poverty reduction project must seek the majority endorsement of the poor of the affected areas prior to approval
  - c. The indicators of these processes should be reflected in the annual assessments
5. The MDGs do not provide an in-depth analytical review of policy reform and institutional change. Hence, to link the MDGs with a particular set of policy prescriptions would be the wrong approach, no matter which policies are prescribed, precisely because there is no single "correct" policy for all societies and circumstances. In this respect, externally imposed one-size-fits-all policies such as structural adjustment programmes and the way the current PRSP initiative of the World Bank and the IMF is being practiced is to be rejected by governments. We demand that the Committee and UNESCAP actively involve and recognise the poor as rightful participants in any formulation of poverty eradication strategies and policies.
- a. Institute domestic measures that safeguard national economies from financial and economic crises and debt-repayment problems. This could include capital controls, appropriate regulation of investment

capital, sufficient and appropriate protection of domestic markets. Support trade policies that seek to re-examine and restructure tariff and non-tariff structures to ensure the survival and progress of local producers.

- b. Conduct a public “stock-taking” of national development policies and measures with emphasis on their distributional impacts; assess which of these policies have resulted in poverty, hunger and survival crises; build an explicit consensus (based on a clear mode of participation for organizations of the poor) among the public and governments about how to change these policies to correct past distributional impacts, as well as proactively address challenges of poverty and hunger. Such stock-taking should be institutionalised as regular monitoring to correct policies that result in skewed economic growth, locally and nationally.
6. Successful development efforts require appropriate policies at domestic, regional and international levels. However, the international economic structure is inequitable and currently antagonistic to the achievement of the MDGs themselves. The committee should urgently address the ramifications of globalisation and facilitate the formulation of the necessary reforms.
  - a. Reform/restructure international trade, finance and investment regimes. This would involve rethinking the rules and regulations of these regimes as well as the institutions that govern them.
  - b. Revisit the WTO Doha Work Programme, with a view of recasting it and refocus efforts towards the review of implementation and impacts of the GATT-UR. Specifically, the review should tie in to the stock-taking happening at the national level and must have the objective of correcting imbalances and remedying displacements.
7. Attention and financial resources are diverted away from the priorities of directly addressing poverty and hunger and instead are allocated to debt servicing and military spending. There is an urgent need to re-orient government expenditure. The Committee should identify clearly the resources needed for governments in implementing poverty eradication policies and programs. Moreover, given the multidimensional aspects of poverty, the Committee must also consider the implementation of conscientious poverty-budgeting in all aspects of government expenditure. Finally, sufficient resources should also be identified and channelled to facilitate the participation of civil society and the poor.
  - a. Provide more budgetary allocations for anti-poverty and social development programs, less for debt service and defence spending.
  - b. Institute participatory budget processes, including gender budget initiatives.
8. Adopt strategies that address the root causes of extreme poverty and hunger.
  - a. Genuine agrarian reform, which recognizes the rights of women and indigenous peoples to land and other productive resources;

- b. Policies that ensure the redistribution of wealth and resources through progressive taxation, caps and special taxes on certain types of incomes, etc.;
  - c. Halt all privatisation programmes, and subject them to evaluations through democratic and representative fora such as Parliaments and Assemblies; seek alternative solutions to the problems that privatisation programmes claim to address (e.g., efficiency of service delivery, debt repayment, etc.);
  - d. Policies that ensure fair wages and compensations to workers, and appropriate prices to agricultural producers;
  - e. Policies that prioritise the rights of workers and agricultural producers over those of investors and agribusiness companies;
  - f. Ensure that food is treated as a fundamental human right of all peoples; food must not be used as a “weapon” or left to the market for distribution;
  - g. Halt projects that induce displacement; seek constitutional protection for the rights of communities to common pool resources and assets through the enactment of laws and policies;
  - h. Policies that protect the rights of communities to water, land, forests, other natural resources, biodiversity and indigenous knowledge;
  - i. Policies that ensure peoples’ access to all services essential to their development, especially among the poor and historically marginalized; this includes water, education, social security and insurance, healthcare, information, etc.; access must pay attention to equity considerations and the quality of services must not vary according to socio-economic or gender backgrounds;
  - j. Policies that recognize, support and protect the increasing numbers of workers in the informal economy.
  - k. Integrate gender concerns in anti-poverty strategies.
9. Reject the TINA (There is no Alternative) defence offered by governments and international agencies as an excuse to cling on to economic models that have proven bad track records. Governments should take a stronger role and responsibility in providing the needs of the poor. Support and promote alternative models of development that communities across the regions are practicing.

We challenge the Committee to adopt a more comprehensive understanding of poverty and hunger and intensify its work towards poverty eradication urgently.