

Annual Erskine Childers Lecture 2010

“We Can End Poverty”

***“A discussion paper for the Inequality and Millennium Development Goals
Lecture”***

**Keynote Speaker: Sir Richard Jolly
Respondents: Lord Frank Judd and Vijay Mehta**

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Friends House
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Contents

1. INTRODUCTION
2. RECOMMENDATIONS AND SOLUTIONS FOR REDUCTION OF POVERTY.
3. FIVE PILLARS OF COOPERATION FOR COMPLETION OF MDGs.
4. CONCLUSION.
5. POVERTY AND DEVELOPMENT QUOTATIONS.
6. MDG INDICATORS – SUCCESSES AND CHALLENGES.

➤ INTRODUCTION

What is the world's greatest challenge in the new millennium? Without little doubt, that the greatest challenge we face is the growing chasm between the rich and the poor people on earth. There is not only a great disparity between the two, but the gap is steadily widening. At the beginning of the last century, the ten richest countries were nine times wealthier than the ten poorest ones. In 1960, the ratio was 30:1. At the beginning of this century, average income per person in the twenty richest nations was \$27,591 and in the poorest nations only \$211, a ratio of 131:1. To plug the widening gap between rich-poor divide, the billions who live on dollar a day need the assistance of international community to fulfil the promise of the completion of Millennium Development Goals* for a better world.

In 2000, world leaders agreed by 2015 goals for slashing poverty, hunger, disease, maternal and child deaths, and for improving the environment, education and gender equality.

Lack of political will and unmet commitments, inadequate finance (staggering shortfall of billions of dollars) and soaring food prices have become major hurdles in the progress of the MDGs. In fact an estimated 90 million more people are living in extreme poverty today than anticipated before financial crisis. Millions of people who were not part of the financial collapse and did nothing wrong are suffering extreme hardship.

The ten-year mark at 2010 presents an important opportunity to re-energize the global Millennium Development Goals (MDG) effort and help the poverty reduction become a reality.

The United Nations, governments, civil society & the private sector has a large role to play, particularly in appealing to world leaders to deliver concrete strategies for action, with clear objectives for what must still be done before 2015. As the remarkable progress already made in some regions demonstrates, the MDGs are in fact attainable; however, the level of financial investment and national programmes and policies must be intensified in order to truly transform development.

The new UK government have already shown leadership by saving the international development budget in their deficit reduction programme. This is indeed welcome news; however, instead of the money being misspent on huge fees paid to consultants, it needs to be spent more wisely.

* The eight MDGS are:

1) Eradicate extreme poverty and hunger. 2) Achieve universal primary education. 3) Promote gender equality and empower women. 4) Reduce child mortality. 5) Improve maternal health. 6) Combat HIV and AIDS, malaria and other diseases. 7) Ensure environmental sustainability. 8) Develop a global partnership for development.

➤ RECOMMENDATIONS AND SOLUTIONS FOR REDUCTION OF POVERTY:

❖ Promote disarmament for development

A unique concept which requires implementation of Article 26 of the UN Charter specifically tasks the UN Security Council with promoting "the establishment and maintenance of international peace and security with the least diversion for armaments of the world's human and economic resources". By activating which one could work with sufficient resources for not only development but also for international peace and security as the saying goes "War retards development and development retards war."

Anti poverty groups must make it clear that war is a major cause of poverty. World economy is tied up in military spending, arms trade and wars to the tune of trillions of dollars. If it is freed, the enormous savings thus achieved can be deployed for poverty reduction, health care, education and peace. Whoever is able to achieve this monumental task will be the most outstanding leader of the 21st century.

Martin Luther King Jr. said, "A nation that continues year after year to spend more money on military defence than on programmes of social uplift is approaching spiritual doom"

❖ Apply rights based approach for development

The Human Rights Council in cooperation with over 100 countries has taken the task to formalise the Right to Development Declaration of 1986 and work out the methods of its implementation, ultimately moving to an international treaty giving it a legal status. If the international community agrees to the final outcome of this process, it will be a paradigm shift in bringing economic development such as, right to food, health, education and social existence, empowering people with tools to lift themselves out of poverty.

Development taken as a human right has major implications for the states that recognise it as such and also for international institutions for cooperation between developed and developing countries. A rights-based development implies that all development has to be based on equity, non-discrimination and a participatory transparent process with identified and accountable stakeholders.

If the process succeeds, the discourse on development all over the world will change. The world will have to accept the responsibility of implementing the right of equitable development in terms of human rights as poverty isolates people from enforcing their rights and effective means to live their life in dignity.

❖ Empower women in the developing world

It is now widely accepted that empowering women in the developing world is a catalyst for achieving a range of international development goals. It is time for governments and multinational corporations to get on board: funding education for girls and incorporating women-owned firms into their supply chains which are good for business.

Over the last several decades, it has become accepted wisdom that improving the status of women is one of the most critical levers of international development. When women are educated and can earn and control income, a number of good results follow: infant mortality declines, child health and nutrition improve, agricultural productivity rises, population growth slows, economies expand, and cycles of poverty are broken.

❖ *Initiate tax on finance to help the poor.*

Innovative financing mechanisms can help to fund development and introducing voluntary contribution based on international financial transactions which can be one of the best ideas for helping to complete the MDGs.

The innovative financing is already a success: since the 2002 Monterrey conference, eight such mechanisms have been introduced. These have raised over 2 billion dollars and include among others, the plane ticket levy launched on France's initiative and implemented in 13 countries, funding paediatric HIV/Aids treatment for 100,000 children every year; and the International Finance facility for Immunisation, to which France is the second largest contributor behind the UK, helping to vaccinate over 100 million children worldwide.

One of the best ways to have a positive impact on poverty reduction and development is to solicit the help of efficient tax collecting and other innovative financing for development projects. It can also be done by mobilising civil society, entrepreneurs and corporations to take actions giving micro loans to start social businesses for the poor people to eradicate poverty. Social business has the potential to reverse the disparity as it addresses the poor directly and deliberately, bringing them into the mainstream economic system and help them to grow independently.

❖ *Bring justice to the poor and spur growth after conflicts and disaster*

We need action on debt cancellation, fair trade, and good governance which is urgently needed to save millions of lives but is blocked by hypocrisy, lack of political will, and corporate greed.

Economic growth is critical to establishing social stability, which is the ultimate objective of disaster-relief efforts. Various obstacles, such as insurgencies and inadequacies in infrastructure, have made economic development difficult in countries. A central element in the failure to establish robust economies and security in war-torn or disaster-stricken countries is underfunding.

New evidence supports the view that countries receiving large amounts of support perform better than those receiving little or no support. Developing countries need help to increase their food producing capabilities and infrastructure, including tools, know how, and latest technologies to spur growth. We need to empower developing countries formulate strategies for food production, nutrition and disaster preparedness.

❖ Promote good governance for development

Good governance is based on rooting out corruption, promotion of democracy and respect for human rights. It can be enhanced by implementing equitable economic and social development by generating chances for people by the implementations of policies and programmes for eradicating poverty. This will bring increased security, democratic good governance, political and civil freedom.

One of the examples of good governance is Botswana which has used diamonds to become the fastest growing economy in the world. Tanzania has achieved 90% of its education targets by showing leadership.

On the other hand there is an example in a country with non-existent and corrupt government which can loot the public purse as it is the case in Liberia prior to the present government of President Ellen Johnson Sirleaf. Ministers simply instructed the central bank to transfer the money into their personal bank accounts. There was no mechanism for these crooked payments to be stopped.

➤ **FIVE PILLARS OF COOPERATION FOR COMPLETION OF MDGs**

In my book, *The Fortune Forum Code: For a Sustainable Future*, I have recommended five pillars of cooperation by which the international community can focus for the completion of the MDGs.

❖ The first pillar is development assistance.

At present the aid given by donors is unpredictable and the international community should give long term aid to finance MDGs efficiently. International aid is a key investment in human development. Returns to that investment can be measured in the human potential unleashed by averting avoidable sickness and deaths, educating all children, overcoming gender inequalities and creating the conditions for sustained economic growth. Development assistance suffers from two problems: chronic under-financing and poor quality. There have been improvements on both fronts. But much remains to be done to close the MDG financing gaps and improve value for money.

Some of the world institutions like the UN, EU, IMF, World Bank, G8, OECD, G20, should make a priority to invest in health, sanitation and safe drinking water. These institutions can make a huge difference by working in cooperation on major development projects for alleviating poverty. 2½ billion people depend on agriculture and we should improve rural infrastructure including tools and know-how for bringing food security.

❖ *The second pillar is international trade.*

Under the right conditions, trade can be a powerful catalyst for human development. The Doha “Development Round”^{*} of World Trade Organisation (WTO) talks, launched in 2001, provided rich country governments with an opportunity to create those conditions. This was the moment to prove that the Millennium Declaration is not just a paper promise, but a commitment to change.

Business need to get involved in poverty reduction because it is morally right to give opportunities to the millions of poor people and also it will open up new markets for their growth. It will also stabilise the society as the marginalised people can become terrorists and a breeding ground for extremism and conflicts.

The way forward is to increase the scale of pro-poor enterprise and make it an integral part of poverty reduction. Businesses can gain three important advantages by serving the poor – a new source of revenue, greater efficiency, and access to innovation.

❖ *The third pillar is social protection, international peace and security.*

Large scale social protection is critical to building resilient societies as is evident in Brazil whose social protection policies approach has been successful in reducing child mortality and improving maternal health.

Violent conflict blights the lives of hundreds of millions of people. It is a source of systematic violations of human rights and a barrier to progress towards the MDGs. The nature of conflict has changed, and new threats to collective security have emerged. In an increasingly interconnected world the threats posed by a failure to prevent conflict, or to seize opportunities for peace, inevitably cross national borders. More effective international cooperation could help to remove the barrier to MDG progress created by violent conflict, creating the conditions for accelerated human development and real security.

❖ *The fourth pillar is global education.*

Despite the efforts of the international community, over 800 million people in the world cannot read or write, and more than 100 million children (55% of whom are girls) are unable to attend school. In many low-income countries teachers are not qualified for their jobs, and many are not well versed in study programs.

As for information technologies, less than 10% of the world’s population has access to the Internet, and 70% have never even heard of it. However, things are improving. Mobile phone penetration in sub-Saharan Africa rose from less than one in 50 people in 2000, to close to a

^{*} **The Doha Development Round:** The Doha talks began in 2001 and represent for the first time a round of trade talks that aim to put developing country concerns at the heart of negotiations. Although developed countries also stand to benefit, a successful round has the potential to deliver huge welfare gains to developing countries. Developing countries will be the biggest losers if the multilateral trading system is weakened and they are left to negotiate bilateral and regional agreements.

quarter of the population in 2007. It is being increasingly used for banking, commerce, medical advice and disaster management services.

Peace education is non-existent in schools and universities. However it is a key for an ethical foundation of our society and to protect core values of life - freedom, equality, solidarity, tolerance, and respect for nature, shared responsibility and multiculturalism. It is the only way to build growth and prosperity for a safer future.

❖ *The fifth pillar is sustainable development for human and economic progress*

For addressing MDG agenda on peace, security, development – achieving environmental sustainability should be made an important goal. For this we should support the Poverty-Environment Partnership (PEP) which is a network of international development and environment agencies and NGO's including UNDP and UNEP. In 2005 it brought a message to the World Summit in New York, based on a body of analytical work and consultations aimed at making clear the complex relationships between poverty reduction and environmental sustainability. The world's poor depend critically on fertile soil, clean water and healthy ecosystems for their livelihoods and well-being. The Partnership recommended that donor support be focused to the following areas:

- i. Greatly expanded investment in environmental assets.
- ii. Strengthened local institutions
- iii. Integrated approaches developed to put pro-poor investments at the heart of national development — and poverty reduction strategies and sectoral planning at all levels
- iv. Pro-poor changes in environmental governance
- v. Innovative market-based instruments to encourage pro-poor investments in environmental management and the provision of environmental services
- vi. A strengthened information base for decision making

➤ CONCLUSION

To move forward the agenda of development, governments of the developed countries should fulfil their commitment of giving 0.7% of GDP which they have signed and obliged to do so. This is of highest priority of completion for MDGs.

When you see extreme poverty remains a daily reality with more than 1 billion people who live on less than a dollar a day, one cannot help but feel the missed opportunity of a multitude of people who could have been doctors, engineers, teachers, computer experts, business entrepreneurs, what you may say if they were given a chance to attend school or university. In so many ways they could have benefited humanity if they were given a chance. Trillions of dollars were found to save the collapsing banking system. But money can never be found for poverty reduction and development which shows lack of political will.

In the long journey of humanity, if there was a group of people who deserved to be given a chance, it is the poorest of this world. They cannot wait. We must not use the economic crisis,

the food crisis or other setbacks as an excuse to complete the MDGs. Today with the help of knowledge, know-how and the resources the world possesses, we should accept the challenge that nobody should go hungry and take actions to fulfil this goal. Remember, each of us have the capacity to change the world. Let us make the dream of making poverty history and completion of Millennium Development Goals a reality by the year 2015. We are the generation that can make it happen – so let's go for it.

Thank you for listening.

➤ POVERTY AND DEVELOPMENT QUOTATIONS

"There is a sufficiency in the world for man's need but not for man's greed."

Mahatma Gandhi

"Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings."

Nelson Mandela

"In our interconnected world a future built on the foundations of mass poverty in the midst of plenty is economically inefficient, politically unsustainable and morally indefensible."

Vijay Mehta

"Never doubt that a small group of thoughtful committed citizens can change the world, indeed it is the only thing that ever has."

Margaret Mead

"If you think you are too small to change the world, try sleeping with a mosquito."

Dalai Lama

"Recall in the face of the poorest and most helpless person whom you may have seen and ask yourself if the step you contemplate is going to be of any use to him, will he gain anything by it? Will it restore him to control over his life and destiny? In other words, will it lead to swaraj, self-rule, for the hungry and also spiritually starved of our countrymen? Then you will find your doubts and yourself melting away."

Mahatma Gandhi

"If a free society cannot help the many who are poor, it cannot save the few who are rich"

John F. Kennedy

➤ MDG INDICATORS – SUCCESS AND CHALLENGES:

The Millennium Development Goals (MDGs) – agreed by world leaders in 2000 – are eight time-bound objectives which range from halving world poverty to ensuring environmental sustainability.

The 2009 MDG progress report stresses the importance of recognising the remarkable advances in achieving the goals as well as the challenges presented by the financial and food crises.

10 MDG successes

1. Despite the economic downturn current projections suggest that overall poverty rates in the developing world will continue to fall in 2009.
2. Primary school education has now exceeded 90% in almost all regions (even in sub-Saharan Africa, the notable exception, enrolment increased by 16% between 2000 and 2007).
3. In two out of three countries, there is now gender parity in primary school classrooms.
4. Between 2000 and 2007, measles deaths dropped by 74%. During this time, immunisation coverage increased to 82%.
5. The world is ahead of schedule in meeting the 2015 drinking water target. But 884 million people still use water from unsafe sources.
6. The use of ozone depleting gases has been almost completely eliminated worldwide.
7. The proportion of parliamentary seats held by women continues to rise slowly. The most impressive gains were made in Latin America and the Caribbean: 22% of parliamentary seats in the region are now held by women.
8. The lives of the urban poor are improving in almost every region: 2005 saw the proportion of slum dwellers decrease to 36% from nearly a half in 1990.
9. Deaths of children under five have steadily declined, from 12.6 million in 1990 to 9 million today, despite population growth.
10. Official development assistance in 2008 increased to \$119.8 billion, the highest figure to date.

10 MDG challenges

1. In 2009, an estimated 55 million to 90 million more people will be living in extreme poverty (earning less than \$1.25 a day) than anticipated before the economic downturn.
2. The already scant progress on child nutrition is likely to be eroded by high food prices and the credit crunch: one in four children in developing regions is underweight. The decrease in prices in the second half of 2008 has so far failed to reverse this trend.
3. Close to two-thirds of employed women have 'vulnerable' jobs – part-time, seasonal, low or unpaid work, for example on family businesses such as farms.
4. Despite the overall decline in deaths, a child aged under five born in a developing country is 13 times more likely to die than its industrialised country counterpart.
5. MDG 5 on maternal mortality is the goal towards which the least progress has been made. In developing regions maternal mortality – which claims over half a million lives each year – decreased by just 1% between 1990 and 2005.
6. At the present rate, the 2015 sanitation target will be missed. An additional 1.4 billion people will require access to toilets, latrines and other forms of improved sanitation if the target is to be met.
7. In Eastern Europe and Central Asia, HIV prevalence has nearly doubled since 2001.
8. By 2007, an estimated 15 million children had lost one or both parents to AIDS.
9. According to the World Health Organization, nearly one million people die each year from malaria.
10. Every year forests equivalent in size to Bangladesh are cut down.

Notes

The following publications were consulted and excerpts have been taken from them during the writing of this article:

1. Foreign Affairs – May/June 2010 (Volume 89/3)
2. The role of global institutions in tackling poverty – *Vijay Mehta*. Magdalen College, Oxford, OX1 4AU.
3. Matter of Rights – *Arjun Sengupta*. Asian Age 17th May 2010
4. The Fortune Forum Code – for a Sustainable Future – *Vijay Mehta*
5. A Tax on Financing – Bernard Kouchner (Paris conference on innovative financing – September 2009)
6. Keeping the Promise – UN Secretary General Ban Ki Moon's MDGs report.
7. Millennium Development Goals: at a Glance – issued by UN Department of Public Information 2010.
8. Plundered Planet – Paul Collier (Allen Lane)
9. Muhammad Yunus, Building Social Business, Public Affairs (2010)
10. The New World - UNA UK (Summer 2010)
11. Is business intervention the most effective solution to poverty? – Vijay Mehta

The full version of this speech can be downloaded from:

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*www.vmpeace.org
www.action-for-un-renewal.org.uk*

*Vijay Mehta is president of VM Centre for Peace www.vmpeace.org , Founding Trustee of Fortune Forum Charity www.fortuneforum.org, Chair of Uniting for Peace (Action for UN Renewal and World Disarmament Campaign). He is an author and global activist for peace, development, human rights and the environment. Some of his notable books are *The Fortune Forum Summit: For a Sustainable Future*, *Arms No More*, and *The United Nations and Its Future in the 21st Century*.*

He along with his daughter Renu Mehta founder of Fortune Forum charity held two summits in London in 2006 and 2007. The summits raised over a million pounds for charity and attracted a worldwide audience of 1.3 billion people (one fifth of humanity) including print and media coverage. The keynote speakers for the first and second summit were Bill Clinton, former US President and Al Gore, former US vice-President, and recipient of the Nobel Peace Prize 2007.

Vijay Mehta has appeared in various TV programmes including BBC World, Press TV, Ajtak-24 hour Indian news channel, and Think Peace documentary, Canada, among others. The Sunday Times, Independent, Observer and Guardian newspapers, among other journals have written about him. His life is devoted to the service of peace, humanity and our planet