

Poverty Eradication and the Current Debates

By Jack Jones Zulu

Over 1 billion people live on less than \$1 a day with nearly half the world's population (2.8 billion) living on less than \$2 a day. More than a billion people, one in five of the world's population, live in extreme poverty.

Ten million children die before their fifth birthday, most of them from preventable diseases. More people have died from extreme poverty in the last ten years, than all of the wars of the 20th century combined¹.

And the most tragic thing is that we can afford to stop these deaths. The world has never been richer, yet we have never left so many to die.

More than 113 million children do not go to school. The crisis of poverty and inequality has reached an unbelievable and alarming scale. In a world of growing wealth, such levels of human suffering and wasted potential are not only morally wrong, they are also against our own interests².

Poverty is a Political Problem and Misplaced Priorities!

The tragedy of today's poverty is that it is more of a political problem than anything else. This article echoes the strong words of Madiba who noted:

"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. And overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom... I say to all those leaders: do not look the other way; do not hesitate. Recognise that the world is hungry for action, not words. Act with courage and vision. ...Make Poverty History in 2005. Make History in 2005. Then we can all stand with our heads held high³."

In the world of plenty, how do we explain the fact that over one billion people suffer from dietary deficiencies? How can we say there is no money when the war in Iraq costs an average of \$30 billion per month or \$360 billion per year and a nuclear submarine costs \$2.4 billion? If this money were spent on vaccinations instead, it would be enough to immunise 70 million children against killer diseases in the world! It is not lack of resources that is keeping people in poverty but lack of political will to put money where human needs are!

Today, many of the problems which mankind face, such as war and conflict, international crime, refugees, the trade in illegal drugs and the spread of diseases like HIV and AIDS are caused or made worse by poverty, political rhetoric usually coated with 'sweet statements' and a general lack of political will to act decisively! It will therefore take more than just political wishes to get rid of poverty and hence pave the way for a better world for everybody.

Strategies to Resolve Poverty

In a bid to tackle the growing scourge of poverty in low income countries (LICs) across the world, the [World Bank](#) and the [International Monetary Fund](#) (IMF) instituted the ‘famous’ [poverty reduction strategy papers](#) (PRSPs) in 1999 as roadmaps for reducing poverty. PRSPs are vehicles of a new anti-poverty framework designed by the two [Bretton Woods Institutions](#) (BWIs) aiming broadly to ensure that economic and development policies reduce poverty. More specifically, they link debt relief provided for the poorest, most indebted countries under the [Highly Indebted Poor Countries](#) (HIPC) Initiative, and all concessional loans from the World Bank and IMF, into this framework.

Updated every three years with annual progress reports, PRSPs describe the country's macroeconomic, structural and social policies and programs over a three year or longer horizon to promote broad-based growth and reduce poverty, as well as associated external financing needs and major sources of financing⁴.

While fundamentally trying to address the causes and incidence of poverty in poor countries, the PRSP suffers from serious setbacks. It does not address the external factors that to a greater extent influence the widespread incidence of poverty in the HIPCs. For instance, it is silent on the unfair trade practices between Africa and the Western world, high capital flight in form of debt service from many African countries and, indeed it is silent on stringent policy conditionality tied to donor aid. Instead it is obsessed with export-led growth strategies couched in wholesale liberalization of African economies. Yet, full liberalization of under-developed economies is directly responsible for the hundreds of thousands of job losses in LICs through unfair competition from global capitalist firms and multinational companies.

One also has to consider the adverse impacts of agriculture subsidies which tend to dampen the prices of products from poor countries and thus robbing these economies of an opportunity to escape poverty. For instance, agricultural subsidies in developed countries cost \$1 billion per day and if this money were reallocated, world poverty could be reduced by 75 percent! In Japan one cow receives \$4 per day in subsidies while the majority of Africans live on less than \$1 per day!

Using Open Markets to Reduce Poverty!

The PRSP in its misguided philosophy of open and private-sector driven market economies argues that lack of growth is one of the main causes of the ever increasing poverty levels in the heavily indebted poor countries, hence the emphasis on ‘pro-poor market growth’. However, the main failing with this reasoning is that it does not consider the other side of the coin: poverty being the main blockade to growth! While growth is certainly important for poverty reduction, it is not sufficient on its own. Growth needs to go hand in hand with quality job creation, promotion of sustainable livelihoods, gender empowerment, appropriate policy frameworks and institutional capacities.

The PRSP also fails to acknowledge that behaviour in the market is governed and motivated by the quest for profits. As noted by Yash Tandon, “in the capitalist phase of our civilization, the dominant motivating force is profit. Global governance is ruled by profits⁵”. Thus open markets and the private sector providers in general are notoriously hard to regulate, and their services are prone to big inequalities and high costs and often exclude the poorest people who cannot afford to pay for them.

Market-led solutions have often undermined the provision of essential services and have had a negative impact on the poorest and most vulnerable communities⁶. Therefore, markets as we know them in Africa and indeed elsewhere rarely take care of issues of equity or the needs of the poor in general.

What Should We Do?

To win the battle against poverty will require breaking with the business-as-usual mentality and getting down to practical work. The poor countries need to fight vices such as corruption and put money into development programmes. They also need to invest in their people through education and health programmes. Governments should begin to respect fundamental human rights by protecting them in their national constitutions. For instance, [Oxfam International](#) takes a [rights-based approach](#) aiming to help people living in poverty to exercise five main rights:

- Right to a sustainable livelihood,
- Right to basic social services,
- Right to Life and security,
- Right to be heard,
- Right to an identity⁷

There is also urgent need for policy makers (and other actors) to have a differentiated understanding of who is poor and where they are. This contextual knowledge must be coupled with an understanding of poverty dynamics, if policy is to be effective in tackling poverty and creating an enabling environment for pro-poor and broad-based growth. This means that there must be accurate data and analysis at the national and sub-national level that explains why people are poor (poverty drivers), what keeps them in poverty (poverty maintainers) and what kind of policies and interventions might support movement out of poverty (poverty interrupters)⁸.

For the donors and financiers in general, they should desist imposing their external policy prescriptions on poor countries. Instead their money should be aligned to country programmes within the context of the Paris Declaration on aid effectiveness.

Finally, last year, 23.5 million people stood up against poverty. They stood up to remind their governments to keep their promises. The promises they made seven years ago with the Millennium Development Goals⁹. This year as we commemorate the World Poverty Day on the 17th of October let us also stand up and say 'NO' to bad governance and 'YES' to good governance! Poverty is a manifestation of bad governance either at national, regional, continental or global levels. The world has enough money, resources and technology to end poverty forever and so no more excuses!

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- Picture Acknowledgement: Picture is courtesy of [Global Call to Action against Poverty](#).

End Notes

- [1] <http://www.whiteband.org/> in an article ‘There is an Emergency’!
- [2] <http://www.dfid.gov.uk/aboutdfid/> in an article: what are we doing to tackle world poverty?
- [3] Former South African President Nelson Mandela pledging his support for the GCAP, London, 03.02.05
- [4] <http://www.imf.org/external/np/prsp/prsp.asp>
- [5] Yash Tandon (2000), Conditional Poverty Reduction Under the IMF and the WTO, Paper Presented at the 29th ICSW International Conference on “Poverty, Social Welfare and Social Development,” Cape Town, South Africa
- [6] Oxfam International and WaterAid (2006), In the Public Interest, Health, Education, and Water and Sanitation for All, see also www.oxfam.org
- [7] <http://www.oxfam.org/en/about/what/>
- [8] http://www.poverty-wellbeing.net/en/Home/Themes/Pro_Poor_Policy
- [9] <http://www.endpoverty2015.org/> in an article Break the Record of Broken Promises.