

## **Paper prepared for the EXPERT GROUP MEETING ON POVERTY ERADICATION**

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### **NGOS, GLOBAL CRISES, AND POVERTY ERADICATION EFFORTS**

#### **Long-term Commitment**

When nation states signed the United Charters in 1945, they declared that “We the Peoples of the United Nations Determined ... to promote social progress and better standards of life in larger freedom,... and for these ends ... to employ international machinery for the promotion of the economic and social advancement of all peoples... Have Resolved to Combine our Efforts to Accomplish these Aims.

Over time, the commitment to eradicate poverty has been made more explicit and nuanced.

In the Copenhagen Declaration for Social Development (1995), nations committed themselves to “the goal of eradicating poverty in the world, through decisive national actions and international cooperation, as an ethical, social, political and economic imperative of humankind.”

In 1997, the UN Declaration for the First Decade of Poverty Eradication acknowledged that *Eradicating poverty is an ethical, social, political and economic imperative of humankind.*<sup>1</sup> Then at the Millennium Development Summit in 2000, the Millennium Development Goals promised to achieve the goal of halving the number of people living in poverty by 2015 as measured by targets related to increasing income, providing decent work and reducing hunger. Between 2002 and 2006 Professor Jeffrey Sachs of the Millennium Project demonstrated that poverty eradication can be done and gave us ways to do it.<sup>2</sup>

A Second UN Decade for the Eradication of Poverty was declared in 2007 acknowledging that

*...Eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries...*<sup>3</sup>

Five years remain to achieve the Millennium Development Goals and how are we doing? Will we need a Third and even a Fourth or Fifth UN Decade for the eradication of poverty to accomplish these goals?

I believe that all of us here are familiar with the facts regarding current progress made toward attaining the Millennium Development Goals. Modest progress had been made prior to the latest series of global crises, but since then, as noted by the World Bank in a 2008 publication:

New estimates for 2009 suggest that lower economic growth rates will trap 46 million more people on less than USD 1.25 a day than was expected prior to the crisis. An extra 53 million people will be trapped on

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<sup>1</sup> A/RES/51/178; UN General Assembly resolution declaring the First United Nations Decade for the Eradication of Poverty - December 1996.

<sup>2</sup> <http://www.unmillenniumproject.org/>

<sup>3</sup> A/RES/62/205; UN General Assembly resolution declaring the Second United Nations Decade for the Eradication of Poverty (2008–2017) – December 2007

less than USD 2 a day. This is on top of the 130-155 million people pushed into poverty in 2008 because of soaring food and fuel prices.<sup>4</sup>

### **Overarching context**

From the perspective of the NGO Committee for Social Development in New York whose members work directly on poverty eradication on the ground and at the level of policy, it is first of all essential to integrate all three pillars of Copenhagen in this task. Eradicating poverty cannot be achieved without also providing decent work for all and social integration. At the core of achieving poverty eradication is people-centred development and a concern for the larger, global common good for all peoples.

In every region of the world, effective efforts at eradicating poverty require more than money, more than economic growth, more than ODA, more than providing incentives for foreign direct investment and more than the actual investment itself. Poverty is multidimensional, not merely a quantifiable condition to be expressed with statistics like the Gini index, the per capita GNP, and the the amount of dollars per day that a person makes.<sup>5</sup>

To make poverty concrete, we need to contextualize poverty. For example, in our work as NGOs, the life stories of people, especially women and children, direct our efforts to real people and not simply economic theories or political policies. We know Jesusa, a child living in dire poverty in the Philippines, who experienced sexual abuse before she was ten years old because her poverty left her vulnerable to abuse. We know mothers like Ana who was unable to give her thirsty child a drink because she lived in urban poverty. We know men like Gerald who was unable to access health care for AIDS because he lived in poverty. There are many young women like Ly who was unable to find decent work and was trafficked because she lived in poverty and anything seemed a way out of the poverty for herself and her family. Some of the many dimensions of poverty include lack of income and productive resources to ensure sustainable livelihoods, hunger and malnutrition, ill health, limited or lack of access to education, homelessness or inadequate housing, unsafe environments, social discrimination and exclusion, lack of participation in decision-making and in civil, social and cultural life, vulnerability.<sup>6</sup>

The members of the NGO Committee on Social Development are convinced that poverty eradication is a moral issue. To address it effectively we must focus on addressing inequality and the denial of human dignity by using an integrated human rights approach.

Our members have developed good practices at the micro level that have contributed to the eradication of poverty in various regions of the world.<sup>7</sup> I will give just two examples here.

### **Case One**

*Proyecto Tierra* in Bolivia, has been operational for over 10 years. During this time it has developed several sub-projects to foster social and economic development among rural communities, to ensure adequate, secure and long-term employment for the people of the region as well as to motivate its workers to become trained and ensure the sustainability of the project. One element is the mining-industrial enterprise for the production of boric acid located

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<sup>4</sup> World Bank (2009) Global Economic Prospects 2009: Commodities at the Crossroads. Washington, D.C. as cited in Department of Economic and Social Affairs (2009) Rethinking Poverty: Report on the World Social Situation 2010, p.3.

<sup>5</sup> See the work of the Oxford Poverty & Human Development Initiative in collaboration with UNDP Human Development Report. [www.ophi.org.uk](http://www.ophi.org.uk)

<sup>6</sup> Department of Economic and Social Affairs (2009) Rethinking Poverty: Report on the World Social Situation 2010, pp.8-10.

<sup>7</sup> Examples which follow are taken from (2003) Sub-Committee for the Eradication of Poverty of the NGO Committee for Social Development, Best Practices in Poverty Eradication: Case Studies from the Field. The publication itself available through Franciscans International (<http://www.franciscansinternational.org/>) contains descriptions of nearly 40 projects in 21 countries along with recommendations for good practices in eradicating poverty.

at an altitude of 5000 meters in the Bolivian *altiplano*. It generates the income for other projects. A second element is a safety delegate from the health post to provide medical assistance to the nearby rural communities. A third is the provision of educational scholarships to local residents to continue their university studies and return to serve in their provinces of origin. Additionally, new alternative projects are being developed such as an organic coffee production plant and a small peat production plant.

## Case Two

In the city of Ouagadougou, Burkina Faso, the International Movement ATD Fourth World worked with the local people to develop “The Courtyard of a Hundred Trades.” The project began as a street library activity inviting children living in the streets of a city to answer the question: “Why do you live in the streets?” Their answer: “We don’t like living in the street. But how can we return home (usually a rural area) without work?” From this, the idea of working with local artisans to set up the Courtyard of a Hundred Trades began. In this way, the artisans introduced the children to various professions. Over a period of several years the children began to ask for help in contacting their family members. Staff member of ATD Fourth World facilitated meetings with the parents and helped identify situations that needed addressing to empower the children to return home and live productively in the rural area from which they had come. Their knowledge also improved the lives of their families.

Some comments from the participants in this and other projects in a 2003 survey of good practices done by the NGO Sub-Committee for the Eradication of Poverty show its effectiveness in eradicating poverty in its many dimensions:

“Education is key in the search for justice in the world. The untapped excellence of people living in poverty is being wasted in the need to survive.”

“The experience of our success sustains motivation.”

“They found pride knowing that they could provide food for their children.”

“People realize and speak about the importance of education of self and the children. Women start asserting rights in the family. Self-help groups are formed and common issues are taken up and solved.”

## Critical elements of good practice

In a second international survey, carried out in 2009-2010, by the NGO Committee for Social Development explored good practices for social integration and also barriers which blocked this integration. They received 190 responses from around the world. Using these cases and others like those above, they found five elements that should be considered as critical aspects of an effective practice which have clear policy implications. These points were drawn from a more recent survey done by the NGO Committee for Social development: *SOCIAL INTEGRATION IN ACTION: Stories from the Grassroots*<sup>8</sup>. These practices should have

- Multiple benefits and a positive impact on the whole community,
- Community-based assessment, planning, execution and evaluation,
- Participation by those most directly affected by the program or policy,<sup>9</sup>
- Design and implementation that is replicable,
- Practice or program that is sustainable, and
- Address the multiple dimensions of poverty.

Since these surveys were done, however, we have experienced the multiple global crises.

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<sup>8</sup> NGO Committee for Social Development (2009) *Social Integration in Action: Stories from the Grassroots*. The study can be accessed at <http://ngosocdev.wordpress.com/>.

<sup>9</sup> In the analysis of this survey on social integration the NGO Committee noted that to have effective participation from those living in poverty it is necessary to have available participatory for a which are geographically available and small enough that their voices can be heard.

What has been their impact on these micro-level poverty eradication projects faced with the economic and financial crisis, the food and energy crisis and the climate change crisis?

The study of 640 Civil Society Organizations throughout the world undertaken by Eva-Maria Hanfstaengl<sup>10</sup>, financially supported by the United Nations Secretariat and soon to be published as a DESA paper, provide convincing evidence that the critical aspects identified above are indeed important for good practice - especially that of sustainability.

The study documents how NGOs see themselves as facing several major challenges today as they seek to cope with these global crises. Many of the NGOs actually provided information about their mission and about how they are coping. Most reaffirmed the importance of their mission. They reported challenges that range from “establishing development projects that stimulate the population to protect biodiversity and work towards sustainable development (renewable energy for household electricity, community management of natural resources, creation of autonomous model villages)” to “covering basic needs”. Other NGOs have made specific programmatic shifts because of the crises. One NGO stated that “We have struggled with the food crisis and since agricultural production decreased, we then oriented our work towards cattle-raising.”

From the NGOs that provided information slightly over half, ( 53%), reported that their organization has so far been to adapt quite easily so far to the tighter resource constraints. They relied more on team efforts, volunteers, and pro bono service providers and, in some cases, their ability to carry out activities that were financially viable like the selling of eggs on a chicken farm.

The other half (47%) of the responding NGOs indicated that they struggle with the consequences of the budget cuts caused by reduced funding. Several reported staff salary cuts and/or reduction in the number of staff. Others have decreased travel budgets and made more use of video- and telephone conferences. All indicated that these steps were taken not to increase efficiency or effectiveness but because they were financially necessary.

Fifty-seven percent of the responding NGOs indicated that they are narrowing the scope of their work either in terms of geographic scope and/or programmes. For example, one respondent had halved its environmental protection activities “in order to retain the defense and promotion of human rights activities, especially human rights and fundamental freedoms of indigenous peoples in the Pacific region.” Another NGO reported “giving more priority to people with disabilities from the most marginalized communities and the ones with less access to community programmes.” A third NGO regretted: “We have closed two educational centres for children in peripheral zones, as well as nutrition centres. We are reducing our aid to children who have left nursery school and entered elementary school, giving priority to early education. We provide support for accommodation in day care and nursery school to avoid abandonment, because this is best way to promote the future education of the child. Others accepted fewer children in their scholarship programmes. Another grass-roots NGO stated: “Our organization has had to suspend its strategies against hunger.”

More NGOs described the very real concern they have over possible dangers because of narrowing activities. For example, one respondent wrote, “We have to cover not only the high legal assistance costs, but also expenses in [related] areas..., namely ...support for women in danger, whom we accompany in court.”

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<sup>10</sup> The executive summary and the full study are available on line at the website of the NGO Committee for Social Development <http://ngosocdev.wordpress.com/>. The study was also co-sponsored by the Friedrich Ebert Stiftung New York Office, the Sisters of Charity Federation and Marianists International.

In a more anecdotal follow up to this research, our own constituency looked specifically at projects in different parts of the world working on HIV/AIDS related concerns. The following example from Namibia was typical of the findings.

The director of an AIDS project there reported that the local PEPFAR office in Namibia is giving indications of eliminating their funding. In fact, in the last year PEPFAR reduced his funding by 12% even though he had already signed a contract with them. This director has heard information that PEPFAR will provide its funding to assist the local government in running their own health programs. The director has heard that the funding will decrease by 20% next year and by 2014 it will be gone. European sources of funding for AIDS are also being reduced as is the amount which comes from private donations – often through religious groups. These funding cuts will have dire consequences especially if they ultimately lead to cutting access to ARVs for those already in treatment.

All of the above reflects the serious consequences of the global crises.

What has been the response of the NGOs surveyed? Seventy-eight percent of the responding NGOs have started additional fundraising campaigns, exploring remaining or new opportunities in their countries or within their constituencies. As a result, competition between NGOs for funding is rising. NGOs also see the need to “reform the system of sporadic aid by which the civil society is held hostage by certain influential entities driven by a politics that neglects millions of people”. Needless to say, if there is less money available, then it will be difficult if not impossible for these efforts to succeed.

In summary, what the study shows is that

- There is a dramatic decrease in training of staff and volunteers.
- There has been little or no cutbacks in staff or decrease in services but the need to totally eliminate training and updates for staff and volunteers has meant a real lack of human resource capacity,
- The big losers are the children and the vulnerable since previously there has been funding for scholarships and for needed services and now there is enough for only about half as much,
- Some projects are no longer able to enroll any new patients. Such a decrease in support services and community care means it will be ever more difficult for those in the program to stay on their treatment regimes.

In short, what is seen on the ground during these multiple global crises is a decrease in resources for necessary programmes which contribute to the eradication of poverty and at the same time, that there is a marked increase in the demand for services. Further, we know that the worst effects of resource reduction and increased demand for services are yet to occur since these effects often lag behind the crises themselves.

### **Climate change and poverty eradication**

Although I have mentioned climate change as one of the multiple global crises, it merits special consideration since it is exacerbating poverty and causing the displacement of peoples throughout the world.

By undermining attempts to eradicate poverty, violating human rights and destabilizing societies through civil conflict, climate change is a threat to human security. When climate change occurs, people living in poverty are often the most severely affected. Indeed, climate change presents a severe and disproportionate threat to the dignity, livelihood, and, in some cases, even the very survival of people living in poverty. Climate change provides the backdrop for the unfolding effects of the global financial and economic crisis I discussed earlier.

It renders persons living in poverty even more vulnerable to social, economic and environmental stresses in their societies and less resilient, i.e. less capable of dealing with these stresses and of rising out of the conditions of poverty in which they live. Witness the flooding in Pakistan which has displaced at least 14 million, to say nothing

of the many other severe weather-related and environmental disasters elsewhere which have destroyed the homes and livelihoods of millions more who had been living decent sustainable lives but now find themselves living in extreme poverty.

Climate change and its multiple manifestations exacerbate social inequalities, contributing to the continuation of poverty and even to its deepening – the opposite of its eradication.

### **Need for structural(macro) change particularly in economic and financial structures**

With all the attention given to eradicating poverty in these past years, why is it that we have not been more successful? Have we been focused on a strategy that simply doesn't work, or is there lack of political will to ensure that the strategies that are tried are implemented effectively? Our experiences indicate that both possibilities are each true to some extent.

We have seen here several examples of micro-level strategies that have to some extent lessened poverty in a limited region. However, we also have examples of structures on the macro- level which offset and work against poverty eradication. They transfer wealth from those who have the least to those who have more. Two such programmes are the now discredited structural adjustment programmes put in place by the Bretton Woods Institutions from 1980-2000 in particular, and the many approaches to poverty eradication which have as their foundation the notion that the wealth will trickle down from those who "have" to those who "have not."

At some level I think we do not believe that poverty can be eradicated. However, our thinking needs to change to allow for a belief that poverty can be eradicated and that it will be better for all of us on many different levels if no one lives in poverty and certainly not in extreme poverty.

The discussion of structural changes which can alter policies in order to make a more equitable world has been carried on in the financing for development arena. Here I will simply mention several of the ideas that seem promising to provide the resources, the distribution and the inclusion of vulnerable peoples needed to make a change in the structures are obstacles to poverty eradication. A full list with more explanation can be found in the civil society recommendations for the Doha outcome document cited below.

1. **Mobilise national resources** by supporting the establishment of efficient, fair and gender sensitive taxation systems and strengthening financial administration,<sup>11</sup> by transparent income reporting and effective taxation of transnational corporations, and by supporting the repatriation of stolen public assets such as those caused by theft of corrupt public officials.<sup>12</sup>
2. **Establish Fair rules for world trade** – by fostering accumulation of domestic capital through trade especially for developing countries who are disadvantaged because of the agricultural subsidies and tariffs of developed countries, by reforming the role of international financial institutions and donors in trade negotiations.
3. **Initiate new international financing instruments for development** – by introducing a currency transaction or financial transaction tax, by expanding the solidarity levy on air tickets to ensure steady and predictable sources of financing for development.

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<sup>11</sup> CIVIL SOCIETY KEY RECOMMENDATIONS FOR DOHA DRAFT OUTCOME DOCUMENT, June 27, 2008. [http://www.fdnngo.org/sites/default/files/Web\\_CSPandR\\_Key\\_Recommendations\\_Sep24\\_0.pdf](http://www.fdnngo.org/sites/default/files/Web_CSPandR_Key_Recommendations_Sep24_0.pdf) This document is a rich source of reforms that have great potential for eradicating poverty and is worth study.

<sup>12</sup> <http://siteresources.worldbank.org/NEWS/Resources/Star-rep-full.pdf>

4. **Implement lasting and sustainable solutions to the debt problems** – by expanding debt cancellation; by eliminating harmful conditionality; by addressing the linkage between debt and trade; by establishing a fair and transparent debt arbitration mechanism; and by addressing the ecological debt.

5. **Reform the international financial system** – by meaningful reform of the governance of the Bretton Woods Institutions; by establishing global cross-border cooperation on supervision and regulation, and by utilizing ECOSOC as a Forum for policy-making and dialogue with balanced representation.

## Conclusions

In summary, a combination of micro efforts and macro structural reforms are needed to realistically bring an end to poverty. Key aspects which would ensure that each action taken has the most leverage for ending poverty include:

1. Use of broad education and social media,
2. Action for gender equity,
3. Massive investment in agriculture to produce employment and slow forced migration,
4. NGOs and governments partnering with people living in poverty who are the major stakeholders in eradicating poverty.

All actions require a framework of good governance domestically and a reformed international governance structure which is pro-poor as indicated in the structural changes suggested in the previous section. Such governance requires accountability, a justice system which is fair and restorative, with reciprocal accountability on all levels. Further, a greater focus must be on sustainability to ensure continued lessening of the number of people living in poverty.

Over time all governments should aim to find resources to provide basic levels of social protection to all citizens, as called for in the International Labour Organization's recommendations regarding a social protection floor.<sup>13</sup>

Addressing the root causes of poverty is the only way poverty can be eradicated. This requires that we act within the framework of underlying values and principles which acknowledge the interconnectedness of the issues. This interconnectedness provides a coherent and integrated approach. The cornerstone of developing and implementing policies which will lead to the eradication poverty is that those living in poverty must have full participation in the process.

Poverty can be eradicated. It can be done at this time in history, global crises or not and nothing else should be acceptable to us.

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<sup>13</sup>[http://www.ilo.org/global/About\\_the\\_ILO/Media\\_and\\_public\\_information/Feature\\_stories/lang--en/WCMS\\_113683/index.htm](http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Feature_stories/lang--en/WCMS_113683/index.htm)