



**Eradicating Poverty:
Sustainable Development Policies for the Post-2015
Development Agenda**

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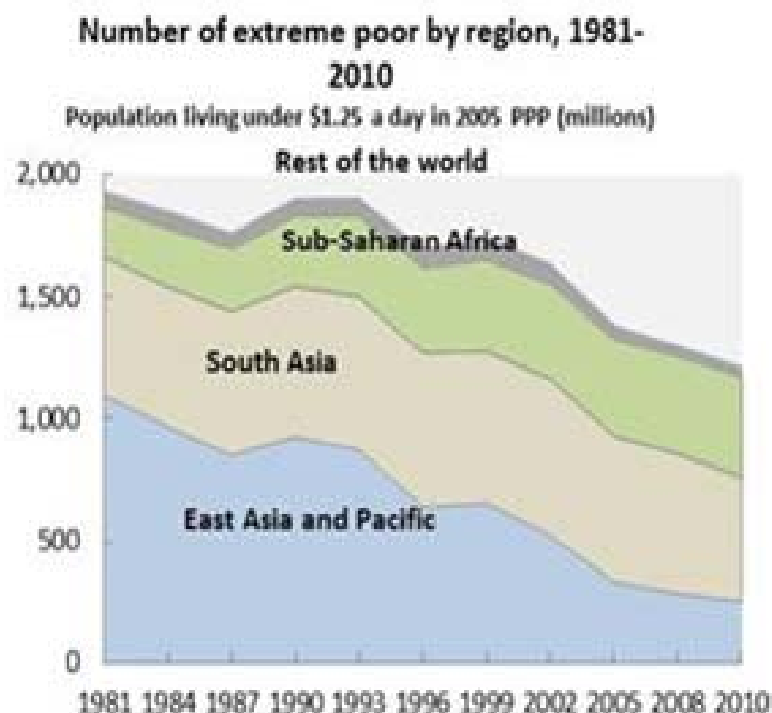
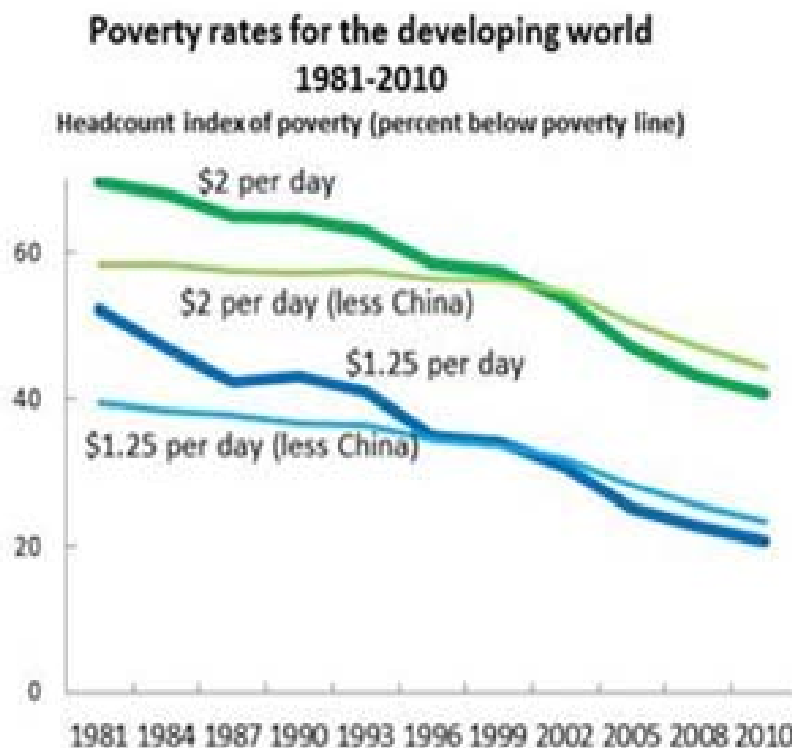
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Context-Setting

- 3 interlinked crises as the context for eradicating poverty and the post-2015 discourse
 - Poverty crisis
 - Climate change crisis
 - Global economic crisis
- The “Rise of the South”?
- Defining a development agenda post-2015
 - Reviving the development state to promote strategic development policy
 - Creating an enabling environment for sustainable development and poverty eradication
 - Systemic reforms at the international level for policy space and effective international cooperation on development and poverty eradication

International cooperation arrangements for the provision of the means of implementation (financing, technology, capacity building) for the achievement of development goals

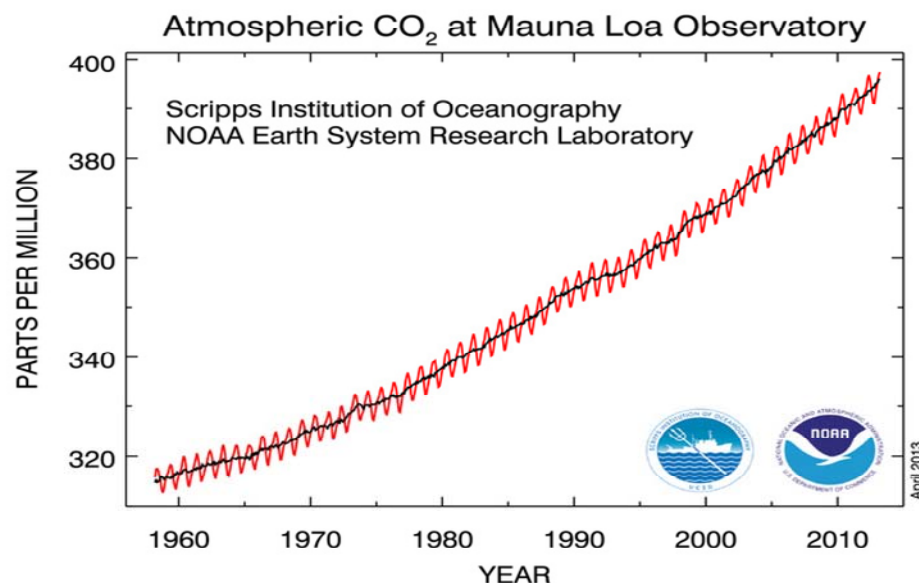
The continuing poverty crisis



Despite tremendous progress, mostly in China, followed by Southeast Asia, Brazil, India, around 1.25 billion people still live below \$1.25/day, and 2.4 billion people live below \$2 a day – it is not simply about low levels of income, but also but living under conditions that breed sickness, social instability, lack of jobs, loss of hope, rise of despair.

Climate change crisis

- Breaching 400ppm, heading for a warmer climate (now 0.8C higher than pre-industrial; projected to be 3-5C above pre-industrial by 2100 business-as-usual)

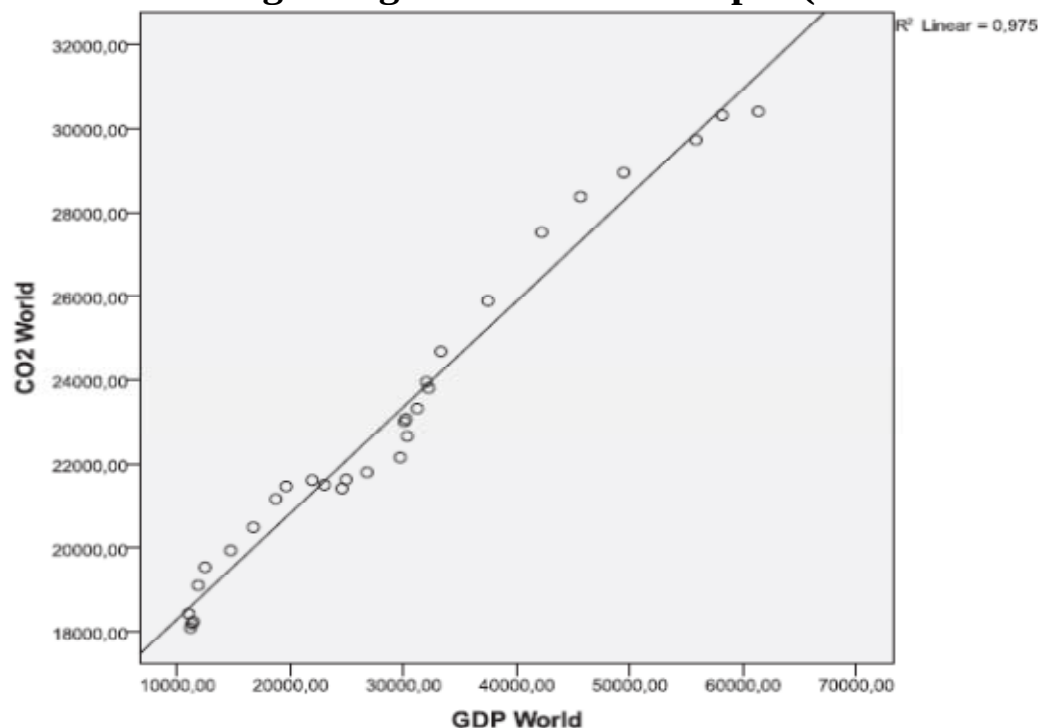


The last time CO₂ concentrations in the atmosphere were this high was during the Pliocene period 5.3-2.5 million years ago. At that time, sea levels were, on average, between 15-25 meters higher than today's (the equivalent of a building 5-8 floors high); temperatures were 2-3°C higher than they are today with temperatures in the Arctic between 10-20 °C hotter; the tropical regions extended north to the latitudes of the Mediterranean and south to the latitudes of Botswana, Buenos Aires, and Sydney; the world was warmer and wetter in the tropics and drier in the sub-tropical regions.

Climate change crisis

- Emissions, energy, and development are linked, given current technologies and patterns of production and consumption

Total emissions 1980-2008 against global economic output (Million tons and billions)



Source: CO2 emissions + Population: EIA (2011) International Energy Statistics; data available from:
<http://www.eia.gov/cfapps/ipdbproject/IEDIndex3.cfm>;
 GDP data: World Bank (2011) World Development Indicators; data available from
<http://databank.worldbank.org/ddp/home.do>

Climate change crisis

- Implementing the UNFCCC as the basis for climate change action
 - developed countries to take the lead, as stated under the Climate Convention, in reducing greenhouse gas emissions (at levels that also reflect their historical responsibility)
 - provision of climate financing and technology access to developing countries to assist them in doing mitigation and adaptation actions
 - developing countries also step up their own national actions to reduce the growth of their own emissions

Global economic crisis

- Premature fiscal consolidation (“austerity”) now taking place across the board, in both developed and developing countries, after first phase of reflation (“stimulus”), due to shift in policy advice from IMF, OECD, World Bank beginning in 2010

Table 4: Changes in Total Government Spending, 2010-12 avg. over 2008-09 avg.
(in % of GDP)

Developing Region / Income Group	Total Sample		Contracted		Expanded	
	# of countries	Avg. spending Δ	# of countries	Avg. spending Δ	# of countries	Avg. spending Δ
East Asia and Pacific	19	2.2	6	-1.5	13	3.8
Eastern Europe and Central Asia	23	-0.9	17	-2.1	6	2.5
Latin America and Caribbean	28	1.2	9	-1.9	19	2.6
Middle East and North Africa	11	-2.1	8	-4.3	3	3.8
South Asia	8	0.8	3	-1.6	5	2.3
Sub-Saharan Africa	43	1.0	13	-3.7	30	3.0
Low-income	32	1.7	8	-2.2	24	3.1
Lower-middle-income	49	0.2	23	-2.9	26	3.0
Upper-middle-income	51	0.2	25	-2.6	26	2.9
Developing countries	132	0.6	56	-2.7	76	3.0
High-income countries	49	0.7	17	-1.0	32	1.7
All countries	181	0.6	73	-2.3	108	2.6

Global economic crisis

- Impact on the poor and social welfare
 - civil unrest in response to the combined and lingering effects of high unemployment, worsening living conditions
- Impact on employment and wages
 - The current crisis has reduced the wage share further and led to a greater concentration of wealth in the hands of the already wealthy.
- Emerging policy shift from austerity in developing countries?

The “Rise of the South” – truth, fiction, or both?

- Continued inter-dependence and no decoupling has impacted the South adversely
 - Trade and finance as contagion vectors; decrease in demand in the North due to financial collapse and subsequent austerity resulting in loss of direct and indirect export markets for the South
- One-off unsustainable growth without long-term structural industrialization – High, exceptional, and unsustainable growth rates for many DCs in the 2000s until the crisis, **BUT** LDCs remain commodity export-dependent; middle-income trap for many MIDCs; BR, IN, ZA experiencing de-industrialization, fiscal deficits, and lower growth rates; CN transition from export- to domestic consumption-led growth rocky and uncertain)

Eliminating poverty: Lessons from history, theory and empirical research

- Rapid and sustained economic growth, driven by increases in productive capacity rather than finance-led development
- Industrialization and economic diversification, particularly in developing countries
- Targeting full and gainful employment
- Greater distributional equity for income
- Environmental sustainability

Reviving the development state to promote strategic development policy

- The role of the development state
- Strategic national development policy
 - Employment-oriented macro-economic development policies, strategic, pragmatic, countercyclical – in today's world, stimulus over austerity
 - Financing development of productive capacity, rather than financing speculative finance
 - Strategic and development-oriented trade and investment policies to promote domestic industries
 - Strategic and flexible use of intellectual property rights
 - Ensuring food security
 - Industrial policy geared towards development and diversification of domestic industries, particularly into climate change-adapted or –resilient sectors
 - Science and technology development for industrialization and climate adaptation
 - Providing social protection floors
 - Ensuring gender equality
 - Ensuring environmental and natural resource protection and sustainability
 - Strengthening domestic governance institutions, including the public services sector

Creating an enabling environment for sustainable development and poverty eradication systemic reforms



- Systemic reforms at the international level for policy space and effective international cooperation on development and poverty eradication
 - Employment and upward income convergence as global goals
 - Providing policy space to developing countries in the global trade, investment, and aid regimes
 - Reviewing and relaxing the global IPR regime
 - Increasing the provision of development financing
 - Avoiding a new debt crisis for developing countries
 - Ensuring commodity price stability to protect commodity export-dependent developing countries
 - Multilateral surveillance and discipline over policies of systemically important reserve currency countries
 - Regulating TNC behavior through multilateral instruments
 - Reforming global economic governance institutions
 - International mechanisms for promoting social development in developing countries
 - Provision of international financing, technology, and capacity building to developing countries to support the implementation of environmental treaty obligations and of national environmental programmes

Creating an enabling environment for sustainable development and poverty eradication – international cooperation on means of implementation

- International cooperation arrangements for the provision of the means of implementation (financing, technology, capacity building) for the achievement of development goals
 - Mechanisms and flow of international financing support for the implementation of sustainable development, climate change actions, and other development-oriented goals in developing countries
 - Easing access to, transfer, and development of technology to support the achievement of development goals, including in the context of climate change actions
 - Mechanisms and programmes to implement capacity-building for the transfer of appropriate know-how and skills for implementing development policies

Reflections on development policy for the post-2015 development agenda

- Not simply extend the MDGs, reformulating the goals, dropping one or two and adding a few in areas such as environment and human rights
- Focus on:
 - enhancing national development through strategic wage-led, jobs-generating, sustainable industrialization and development policies implemented by a developmental state, particularly in developing countries;
 - global systemic reforms to remove structural impediments to development in the global finance, trade, IPR, and investment regimes, and secure an accommodating international environment for sustainable development, particularly for developing countries; and
 - developing international cooperation arrangements for the provision of the means of implementation – i.e. the provision of international financial resources and technology access and transfer – to eradicate poverty rapidly through wage-led, jobs-generating, sustainable development.

Thank you

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