

Executive summary

The Millennium Development Goals (MDGs) galvanised political support for poverty reduction. The world has probably already met the MDG target of halving the share of the population living in extreme poverty (USD 1.25 per day). Yet progress towards the MDGs across countries, localities, population groups and gender has been uneven, reflecting a fundamental weakness in current approaches. As the United Nations and its partners shape a new global framework to take the place of the MDGs in 2015 (Chapter 11), they face the urgent challenge of ending poverty once and for all. As this Development Co-operation Report (DCR) makes clear, this will take more than business as usual.

What is poverty and how is it measured?

This question was at the heart of numerous controversies around the MDGs. In this report, leading thinkers outline definition and measurement challenges:

- **Poverty is not only about income.** The MDG goal to halve extreme income poverty sidesteps many other deprivations (Chapter 3). Economic growth is not sufficient to eradicate all dimensions of poverty or to benefit all people.
- **Poor people do not only live in poor countries** (Chapter 1). Today, a new “bottom billion” live in middle-income countries, including India and China. National poverty measurements fail to capture these within-country inequalities or to guide progress in eradicating them (Chapters 2 and 15).
- **Poverty is not standard or static.** New measures should look beyond global aggregates to reflect countries’ different starting points and challenges, address inequalities, and ensure comparability over time (Chapters 2 and 11).
- **It is not only a question of “getting to zero” – but of staying there** (Chapter 4). At least half a billion people are entrenched in chronic poverty. Policies must be specially formulated not only to end extreme and chronic poverty, but to prevent new impoverishment.

New goals for ending poverty

To recapture the Millennium Declaration’s vision, the new international development agenda must embody principles of solidarity, equality, dignity and respect for nature (Chapter 12). It will need goals that can effectively guide core aspirations, targets that are easy to monitor, and strategies for economic and social transformation. This report makes numerous proposals for developing these elements, including:

Move from poverty to inclusive well-being

- Create a new headline indicator to measure progress towards eradicating all forms of poverty, which could complement the current income-poverty indicator (Chapters 3 and 5).
- Include targets and indicators to track whether people are becoming newly poor (Chapter 4).

- Include a goal of reducing income inequality, or a set of indicators of inequality across the various goals (Chapters 1 and 11).
- Take a twin-track approach to gender: a goal for gender equality and women's empowerment coupled with a way of revealing gender gaps in all other goals and targets (Chapter 16).

Combine national and global goals and responsibilities

- Base a new global goal of reducing income poverty on national poverty measures that are internationally co-ordinated and consistent (Chapter 2).
- Make the new agenda applicable to all countries, but with responsibilities that vary according to a country's starting point, capabilities and resources (Chapter 11).
- Set targets nationally but within global minimum standards (Chapters 11 and 15).

Improve data for tracking progress

- Adopt a specific goal, target and indicator to increase the availability and quality of data for tracking progress towards these new goals, and invest in national statistical capacity (Chapters 14 and 16).

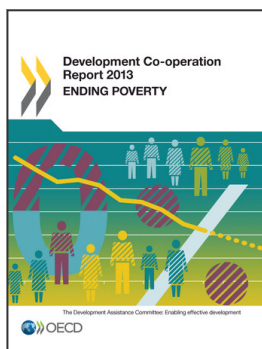
New directions for ending poverty

Getting the goals right is the first step; achieving them will require new policies, commitment and leadership by national governments – North and South – and the entire global community. Governments, parliamentarians, multilateral and regional institutions, civil society, non-governmental organisations (NGOs), foundations, and the private sector will need to co-operate to ensure that all policies in all areas work together to end poverty. Contributors to this report share their wealth of experience on what works, including:

- **See development as a shift from poverty to power** by empowering people, especially women and the chronically poor and eliminating social discrimination that keeps them poor. Development co-operation agencies, political movements and civil society organisations can support such power shifts (Chapters 4, 5, 6, 9, 10, 12 and 16).
- **Build inclusive and sustainable economies** that enable the poorest to participate in and benefit from growth. This will require a root-and-branch re-orientation and reprioritisation of policies and programmes – especially in agriculture, education, energy and employment (Chapters 4, 7, 8, 14 and 15).
- **Provide systems of social protection** – employment guarantees, cash transfers, pensions, child and disability allowances – to create a virtuous cycle that enables poor people to sustain their livelihoods, build assets, access economic opportunities and withstand shocks such as climate change (Chapters 4, 5, 6, 7, 9, 10 and 13).
- **Make environmental sustainability and natural resources a core priority**, inextricably linked to poverty reduction and well-being. Policies must address not only the symptoms, but also the causes, of poverty, without undermining the well-being of future generations (Chapters 11, 13 and 15).
- **Invest in smallholder agriculture** to tackle poverty and promote broad-based economic growth in poor, largely rural countries (Chapters 8 and 10).
- **Support the exchange of knowledge and experience** on poverty reduction, particularly among Southern countries (Chapters 1, 8, 15 and 16).

What does this mean for development co-operation?

Extra support will be needed to meet these challenges. While financial resources increasingly will come from countries' own tax systems, official development assistance (ODA) will still be critical. It must become "smart" at attracting additional funds within a single, unified global structure that optimises all available sources of finance and ensures accountability (Chapters 15 and 16). The new Global Partnership for Effective Development Co-operation could catalyse and co-ordinate global efforts and resources (Editorial). Eliminating poverty and reducing inequality, within and among countries, will require sustained and coherent support to fragile states; targeting of pockets of extreme poverty in middle-income countries; developing states' own capacity for delivering public goods; and recognising that peace and the reduction of violence are the foundations of poverty eradication (Chapters 14, 15 and 16).



From:
Development Co-operation Report 2013
Ending Poverty

Access the complete publication at:

<https://doi.org/10.1787/dcr-2013-en>

Please cite this chapter as:

OECD (2013), "Executive summary", in *Development Co-operation Report 2013: Ending Poverty*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/dcr-2013-4-en>

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