

## PART II REVIEW OF PERFORMANCE

This section presents the performance of the 46 selected small states<sup>1</sup> and 10 benchmark states on each of the MDGs.

### Chapter 4

## MDG 1: Poverty Relief

At the UN Millennium Summit in September 2000, world leaders recognised that the widening gap between the haves and the have-nots is a threat not only to economic and social wellbeing, but also to wider security. The relief of poverty is now one of the

cornerstone objectives of international aid policy and of the work of UN agencies.

With its overarching goal of halving levels of poverty by 2015, MDG 1 seeks to improve the lot of the poorest by boosting employment and eliminating hunger. It recognises that decisive action must be undertaken by states, no matter what their size, to reduce inequalities associated with the capacity of an individual or family to earn a living and support themselves.

This MDG has three targets and nine indicators. Targets 1A and 1C include indicators with specific numerical targets of change relative to the 1990 baseline. Target 1B is a universal target unrelated to the baseline value. All of the targets in MDG 1 relate to achievement by 2015.

#### Goal 1 Eradicate extreme poverty and hunger

**Target 1A:** *Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day*

Indicators:

- 1.1 Proportion of population below \$1 (PPP) per day
- 1.2 Poverty gap ratio (incidence × depth of poverty)
- 1.3 Share of poorest quintile in national consumption

**Target 1B:** *Achieve full and productive employment and decent work for all, including women and young people*

Indicators:

- 1.4 Growth rate of GDP per person employed
- 1.5 Employment-to-population ratio
- 1.6 Proportion of employed people living below \$1 (PPP) per day
- 1.7 Proportion of own-account and contributing family workers in total employment

**Target 1C:** *Halve, between 1990 and 2015, the proportion of people who suffer from hunger*

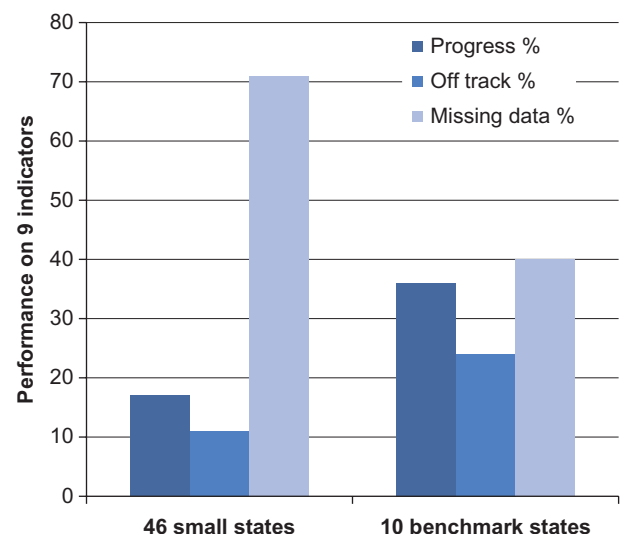
Indicators:

- 1.8 Prevalence of underweight children under five years of age
- 1.9 Proportion of population below minimum level of dietary energy consumption

### 4.1 Overall performance

According to the statistics available, the 10 benchmark states outperformed the 46 small states in the reduction of poverty and hunger (Figure 4.1). The two island benchmark states, Iceland and New Zealand, recorded 11 per cent total progress, while

**Figure 4.1 Performance on MDG 1: Poverty relief**



Source: UN MDG database 2010

the three large benchmark states, France, UK and USA, achieved 15 per cent progress. The four BRIC states reported 69 per cent progress. This compared with 18 per cent progress by the 46 small states.

There were 414 indicators in total across the 46 small states (9 indicators x 46 states = 414 total indicators). The 46 small states made progress in 74 (18%) of cases,<sup>2</sup> while in 47 (11%) they were off-track.

## 4.2 Missing data

The assessment of progress on poverty relief has been seriously affected by a substantial statistical gap for each of the nine indicators. Figures are missing in the UN and World Bank MDG statistics, the sources used for the present report.

Few of the states covered have sent all the required poverty data to the UN (China is an exception), but the largest gaps were for the small states. This indicates an urgent need to build the technical capacity to collect and report poverty statistics.

This has prevented a detailed analysis across the 46 small states and 10 benchmark countries for each target and indicator. Seventy-one per cent of data for the 46 small states was missing, compared with 40 per cent for the 10 benchmark countries. For the 56 countries taken together, 65 per cent of the data was missing on MDG 1 (See Table A1.7).

## 4.3 Undernourishment

On indicator 1.9, measuring undernourishment, there were adequate data for assessment of progress for 37 of the 46 small states. The study found that in 2005 there were 11.7 million undernourished people in the 46 small states; the MDG target is to reduce this by 668 million by 2015. Eighteen (49%) of 37 small states (for which data was available) had not reduced the percentage of their population that is undernourished since 1990.<sup>3</sup> In addition, it was found that over 80 per cent of the 11.7 million undernourished people in the small states in 2005 came from just five of the countries (Haiti, Dominican Republic, Cuba, Botswana, Guinea-Bissau and The Gambia).

## 4.4 The BRIC states and the relief of poverty

A breakdown of the performance of each of the country groups reveals that the performance of the 46 small states was exceeded only by the BRIC states, with each of the other benchmark groups falling below the achievement of the small states. The substantial progress made in the relief of poverty in

the BRIC states may be a key factor in their general progress in development. The delays by many small states in making similar progress with poverty relief may be a key factor in holding back their further development.

## 4.5 Action on MDG 1: Poverty relief

Some small states have taken concerted action on the relief of poverty through a refocusing of national budget priorities. **Botswana**, for instance, has developed a programme integrating housing and food security. **Cuba** has introduced a domestic food production programme using 225,000 hectares of unproductive land and has also increased its school meals programme for poor children.

**The Gambia** is aiming to provide poverty relief for 40 per cent of the population as a priority in its medium-term expenditure programme. **Guinea-Bissau** has identified in its current IMF-supported programme priorities for poverty relief, education and health. **Jamaica** is developing poverty relief and shelter programmes for its squatter population. It is also supporting young entrepreneurs through micro-lending programmes to relieve youth unemployment.

**Mauritius** has introduced an additional stimulus package for jobs, a small and medium enterprise (SME) development fund for business and direct works, as well as support for pre-primary children and corporate responsibility schemes funded by a 2 per cent levy on company profits. **Papua New Guinea** has implemented a poverty relief fund. **Seychelles** has extended its social safety net to more people in need. **St Lucia** has introduced a poverty relief scheme based on the principles of the Puenti Programme in Chile.<sup>4</sup> **Singapore** has a 'workfare' policy, including a regular top-up for lower-income workers; throughout the global financial crisis it contained its level of unemployment at or below 2.5 per cent.

## Notes

- 1 The commentary on performance on each MDG takes the 32 Commonwealth small states and the 14 other non-Commonwealth SIDS combined. In general, the differences in progress between the 32 CSS and the 14 other SIDS are marginal and these differences are not examined in detail, except where large differences are evident.
- 2 A 'case' in this report is the assessment of the status (achieved, on-track, off-track, missing data) for a specific indicator for a specific country.
- 3 This excludes nine countries for which data were unavailable.
- 4 An integrated social and community support, economic, housing and education scheme based on a model from Chile.