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Pathways to Prosperity – United in Eradicating Poverty?

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Selection of key terms

Capacity Building: involves developing skills, knowledge, and resources in individuals, communities, and organizations to improve their ability to perform functions, solve problems, and achieve sustainable development goals.

Collaborative Action: involves concerted efforts and partnerships among governments, civil society organizations, the private sector, and other stakeholders to address complex challenges such as poverty eradication through shared goals and responsibilities.

Economic Inequality: refers to the unequal distribution of income and opportunity between different groups in society, which can perpetuate cycles of poverty and limit social mobility.

Empowerment: entails enabling individuals and communities to exercise control over their lives, make informed choices, and participate actively in decision-making processes, thereby enhancing their capacity to overcome poverty and achieve sustainable development.

Equity: emphasizes fairness and justice in the distribution of resources, opportunities, and benefits, aiming to reduce disparities and ensure that everyone has the chance to thrive regardless of background or circumstances.

Extreme Poverty / Global Poverty Line: is defined by the UN as living on less than \$2.15 a day, reflecting the inability to meet the minimum requirements for survival such as food, clothing, and shelter.

Food Insecurity: is the state of being without reliable access to a sufficient quantity of affordable, nutritious food, often linked to poverty and exacerbated by economic, social, and environmental factors.

Human Development Index (HDI): is a composite index measuring average achievement in three basic dimensions of human development – health (life expectancy), education (mean years of schooling), and standard of living (gross national income per capita).

Interconnectedness: refers to the inherent linkages and interdependencies between different aspects of sustainable development, recognizing that progress in one area often influences outcomes in others.

Inclusive Development: refers to the process of growth and progress that ensures equal opportunities, participation, and benefits for all segments of society, particularly marginalized and vulnerable groups.

Multidimensional Poverty: recognizes poverty not only in terms of income or material deprivation but also encompasses aspects such as education, health, access to clean water, sanitation, and other essential services.

Pathways to Prosperity: denotes the diverse strategies and approaches aimed at fostering inclusive economic growth, social development, and environmental sustainability to uplift individuals and communities out of poverty.

Poverty: refers to a condition characterized by a lack of access to basic necessities such as food, shelter, education, and healthcare, often accompanied by limited opportunities for socioeconomic advancement.

Poverty trap: refers to a self-reinforcing phenomenon where individuals or communities become trapped in a cycle of poverty that perpetuates over generations, starting with low income leading to both low levels education and health care, and low savings, which both leads to low economic growth, reinforcing the low income.

Resilience: refers to the ability of individuals, communities, and systems to withstand and recover from shocks, stresses, and adversities, safeguarding against setbacks in the pursuit of poverty eradication and sustainable development goals (*see vulnerability*)

Social Exclusion: refers to the process through which individuals or groups are systematically marginalized and denied full access to various rights, opportunities, and resources that are available to others in society.

Social Protection: encompasses policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as unemployment, exclusion, sickness, disability, and old age.

Sustainable Development Goal 1 (SDG1): aims to "End poverty in all its forms everywhere," targeting the eradication of extreme poverty and ensuring access to basic services and social protection for all individuals and communities.

Sustainable Livelihoods: involve developing strategies that enable people to secure the necessities of life sustainably, often through diversification of income sources and the preservation of environmental resources.

Vulnerability: denotes the degree to which a population, individual, or system is susceptible to harm due to exposure to stresses, shocks, and adverse conditions, often heightened by factors such as poverty, lack of resources, and social exclusion (*see resilience*).

World Bank Poverty Reduction Strategy Papers (PRSPs): Strategies developed in consultation with various stakeholders, including civil society and development partners, focusing on promoting economic growth, improving governance, and enhancing access to social services.

Introduction

Poverty, although not equally dispersed throughout the world, is a global issue affecting all nations economically and socially. The United Nations (UN) primarily focuses on extreme poverty, defined as living on less than \$2.15 a day, which incorporates people who cannot fulfill their basic needs due to their financial situation. In 2015, approximately 10% of the global population, over 700 million people, were living in extreme poverty. This represents a 26% decrease since the 1990s, but the challenge remains immense. People living in extreme poverty are deprived of basic human rights such as health care, education, and access to clean water.

Addressing poverty is central to Sustainable Development Goal 1 (SDG1), which aims to end poverty in all its forms everywhere. However, poverty is intricately linked to many other Sustainable Development Goals (SDGs), including SDG2 (Zero Hunger), SDG3 (Good Health and Well-being), and SDG6 (Clean Water and Sanitation). For instance, without eradicating poverty, achieving zero hunger or ensuring good health and clean water for all is nearly impossible.

Despite significant progress in reducing poverty rates over the past few decades, the COVID-19 pandemic has reversed much of this progress. The United Nations Development Programme (UNDP) has estimated that the pandemic's impact could push approximately 44 million more people into extreme poverty as a minimum, with worst-case scenarios suggesting over 250 million people could be affected. This setback underscores the fragility of gains made and the need for robust systems to protect vulnerable populations.

Poverty is not uniformly distributed; less economically developed countries (LEDCs) face more severe challenges, and rural populations are three times more likely to live in poverty than urban populations.

Furthermore, SDG1 is directly connected to SDG5 (Gender Equality), as women and young girls are disproportionately affected by extreme poverty. Understanding poverty's multifaceted nature requires examining various underlying causes, such as natural disasters influenced by climate change, internal or external conflicts, and insufficient support systems to address these issues.

In light of these complexities, the global fight against poverty must be comprehensive, addressing both immediate needs and the root causes to create sustainable pathways to prosperity.

Background

The commitment to eradicate poverty has been a longstanding goal of the international community, evolving through various frameworks and initiatives over the decades.

Efforts to address poverty on a global scale can be traced back to the mid-20th century. In 1966, the United Nations established the United Nations Development Programme (UNDP) to help countries achieve sustainable development and reduce poverty. This marked a significant step in institutionalizing global efforts towards poverty alleviation.

In 1987, the UN released the "Our Common Future" report, also known as the Brundtland Report. This report emphasized the need to eradicate poverty as part of a broader agenda for sustainable development, recognizing that environmental degradation and poverty are closely linked.

A major milestone in global poverty eradication efforts was the adoption of the Millennium Development Goals (MDGs) in 2000. These goals were part of a UN initiative to address a range of global issues, including poverty, hunger, and disease, with a target date of 2015. The first MDG aimed to halve the proportion of people living in extreme poverty and suffering from hunger. The MDGs galvanized international efforts, leading to significant progress in reducing poverty rates globally.

In 2005, the UN General Assembly held a high-level plenary meeting to review the implementation of the MDGs, reaffirming the international community's commitment to these goals. The meeting highlighted the need for continued and enhanced efforts to meet the targets by 2015.

As the MDGs neared their target date, it became clear that while progress had been made, more comprehensive and sustainable strategies were needed. In 2015, the MDGs expired, and the United Nations adopted the Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development. SDG1, "No Poverty," was officially adopted in September 2015 and aims to end poverty in all its forms everywhere by 2030. This goal includes targets for ensuring social protection systems, promoting the resilience of those in vulnerable situations, and addressing the root causes of poverty.

Numerous global efforts and partnerships have emerged to tackle poverty. The World Bank's Poverty Reduction Strategy Papers (PRSPs) have been pivotal in providing a framework for countries to develop their poverty reduction strategies. Additionally, the International Monetary Fund's (IMF) Poverty Reduction and Growth Facility (PRGF) has supported countries in their efforts to reduce poverty while promoting economic growth.

SDG1 intersects with various other SDGs, emphasizing the interconnected nature of sustainable development. For example, efforts to eradicate poverty must address food insecurity and malnutrition (SDG2: Zero Hunger) and ensure access to clean water and sanitation (SDG6: Clean Water and Sanitation).

Despite significant progress in reducing global poverty rates, challenges remain. Climate change, conflicts, and the COVID-19 pandemic have threatened to reverse the gains made in poverty reduction. The UNDP has highlighted that the pandemic could push an additional 44 million people into extreme poverty in the best-case scenario, with more dire projections suggesting that over 250 million people could be affected.

Previous attempts to deal with the issues

The UN has dedicated significant efforts to eradicating poverty through a series of Decades for the Eradication of Poverty:

First United Nations Decade for the Eradication of Poverty (1997-2006) / resolution 50/107: This decade emphasized that poverty eradication is a crucial task for humanity. It aimed to create a supportive international environment for poverty reduction through policies that promote economic growth, social development, and environmental sustainability. Key focuses included enhancing opportunities for employment, ensuring social protection, and promoting inclusive economic growth.

Second United Nations Decade for the Eradication of Poverty (2008-2017) / resolution 63/230: The second decade highlighted the importance of ensuring a minimum standard of work for all people. It advocated for decent work and inclusive labor markets as fundamental components of poverty eradication strategies. The UN called for integrated approaches that include education, health care, and social services to uplift vulnerable populations.

Third United Nations Decade for the Eradication of Poverty (2018-2027) / resolution 72/233: The current decade continues to accelerate efforts to eradicate poverty. It emphasizes the need for comprehensive and inclusive strategies that address the root causes of poverty. The agenda focuses on promoting sustainable economic growth, enhancing social protection systems, and ensuring that all individuals have access to essential services and opportunities. It emphasizes the importance of coordinated international efforts, the integration of poverty eradication into national policies, and the promotion of sustainable development. The resolution also calls for strengthening partnerships between governments, civil society, and the private sector.

Chronological Order of Events

- 1966: The UN establishes the United Nations Development Programme (UNDP).
- 1987: The UN releases the “Our Common Future” report, emphasizing the need to eradicate poverty.
- 2000: The Millennium Development Goals (MDGs) are adopted by the UN, aiming to eradicate hunger, poverty, and disease by 2015.
- 2005: The UN General Assembly holds a meeting focusing on how to address issues using the MDGs.
- 2015: The MDGs expire, and the UN adopts the Sustainable Development Goals (SDGs), which aim to achieve similar targets by 2030.

- 2021: The UN Secretary-General calls for a decade of action to accelerate progress towards achieving the SDGs by 2030, by mobilizing resources, implementing targeted policies, and ensuring accountability and transparency in poverty alleviation efforts.

These milestones highlight the evolving global commitment to eradicating poverty and promoting sustainable development. The transition from the MDGs to the SDGs reflects a broader, more integrated approach to addressing the complex and interconnected challenges of poverty, ensuring that no one is left behind.

Major causes of poverty

The issue of poverty eradication is multifaceted and controversial due to several reasons, including the inherent complexities of economic systems, funding dilemmas, and the interplay of various socio-political factors.

Many argue that poverty is an inevitable part of capitalist systems, where wealth inequality is viewed as a catalyst for economic progress and innovation. In such systems, economic growth is often prioritized over equitable wealth distribution. Efforts to reduce poverty frequently involve redistributive measures such as higher taxes on the wealthy and increased social welfare spending. Critics claim these measures might undermine economic growth and discourage investment, making poverty eradication a contentious issue in policy debates.

Allocating resources to poverty eradication entails opportunity costs, as those resources could be used elsewhere. Governments and organizations face tough decisions on prioritization, leading to controversies about whose interests are served. In countries already struggling with poverty, the competition for limited funds among various critical needs (such as infrastructure, healthcare, and education) exacerbates the challenge.

Several major issues contribute to the persistence and exacerbation of poverty, complicating efforts to eradicate it:

Warfare

Economic Impact: Wars devastate economies by reducing GDP and productivity. Political and social instability deter both foreign and domestic investment.

Disruption of Daily Life: War disrupts essential services and infrastructure, including education, food supply, water systems, and healthcare. This destruction leads to severe inflation and loss of income, worsening poverty.

Displacement and Inequality: Conflict displaces populations, exacerbates gender inequality, and exposes people to violence, further entrenching poverty.

Natural Disasters

Less developed countries are less equipped to handle natural disasters. Limited resources and infrastructure make recovery slow or impossible.

Infrastructure Damage: Natural disasters destroy the minimal infrastructure in place, hindering economic development and trapping countries in a cycle of poverty.

Lack of Education and Skill Training

Without access to quality education and skills training, individuals face limited employment opportunities and earning potential. Education is a crucial driver of economic growth; its absence perpetuates poverty across generations.

Health Issues and Accessibility to Healthcare

Poor health reduces individuals' ability to work, lowering productivity and incurring high medical costs.

Poverty Cycle

Lack of affordable healthcare exacerbates health problems, making it harder for impoverished individuals and families to escape poverty.

Centralization of Power and Corruption

Governance Inefficiencies: Power centralization often leads to corruption and mismanagement of resources intended for public welfare. Corruption diverts resources away from essential services and development projects, worsening poverty.

Resource Misappropriation: When resources meant for citizens are siphoned off by corrupt officials, the disparity between the rich and poor widens, perpetuating poverty.

Economic Inequality

Economic systems that favour the wealthy create significant disparities in income and opportunities. This inequality limits social mobility and traps people in poverty.

Gender Inequality

Women and girls are often more affected by poverty due to systemic gender biases. Lack of access to education, healthcare, and economic opportunities for women exacerbates poverty and hinders overall development.

Climate Change

Climate change disproportionately affects poor communities, causing environmental degradation and resource scarcity. These impacts hinder agricultural productivity and access to clean water, essential for sustaining livelihoods.

Global Economic Policies

Global economic policies, including trade agreements and foreign aid, can sometimes exacerbate poverty. Policies that favour developed nations or come with stringent conditions can limit the economic growth of developing countries.

Population Growth

Rapid population growth in developing countries puts additional strain on limited resources, making it difficult to provide adequate services and opportunities for all.

Addressing poverty requires a holistic approach that considers these interrelated issues and implements multifaceted strategies to promote sustainable development, equitable resource distribution, and inclusive economic growth.

Positions of involved stakeholders

National Positions

1. United States

- Domestic Policy: The U.S. employs a mixed approach combining federal and state programs to address poverty. Key initiatives include food assistance programs like SNAP, healthcare through Medicaid, and various housing assistance programs. However, debates often arise around the extent and funding of social welfare programs.
- International Aid: The U.S. provides substantial foreign aid through USAID, focusing on economic development, health, and education in developing countries. The U.S. supports international initiatives aimed at poverty reduction but often emphasizes accountability and effectiveness of aid distribution.

2. China

- Domestic Policy: China has made significant strides in reducing poverty domestically through economic reforms, targeted poverty alleviation programs, and rural development initiatives. The government's focus is on infrastructure development, job creation, and social safety nets.
- International Aid: China engages in poverty reduction abroad through the Belt and Road Initiative (BRI), investing in infrastructure projects in developing countries. These efforts are sometimes criticized for creating debt dependencies, but China positions them as mutually beneficial development projects.

3. India

- Domestic Policy: India focuses on comprehensive poverty alleviation strategies that include rural development, job creation schemes like MGNREGA, and social welfare programs such as the Public Distribution System (PDS) for food security.
- International Aid: India also provides technical and financial assistance to neighbouring countries and participates in multilateral development projects. It emphasizes South-South cooperation and sustainable development.

Regional Organizations

1. European Union (EU):

- Position: The EU integrates poverty reduction into its broader development and humanitarian policies. It emphasizes sustainable development, human rights, and economic cooperation.
- Initiatives: The EU's Development Cooperation Instrument (DCI) funds projects that address various dimensions of poverty, including education, health, and governance. The European Social Fund (ESF) also supports employment and social inclusion within member states.

2. African Union (AU):

- Position: The AU prioritizes poverty eradication as part of its Agenda 2063, which envisions a prosperous Africa based on inclusive growth and sustainable development.

- Initiatives: Programs under the AU include the Comprehensive Africa Agriculture Development Programme (CAADP) aimed at improving food security and reducing poverty through agricultural development.

3. Association of Southeast Asian Nations (ASEAN):

- Position: ASEAN focuses on economic growth, social progress, and cultural development to improve living standards and reduce poverty in the region.
- Initiatives: Initiatives include the ASEAN Socio-Cultural Community (ASCC) Blueprint, which addresses poverty through education, health, and social protection policies.

International Organizations

1. United Nations (UN):

- Position: The UN is a central advocate for global poverty eradication, leading efforts through the Sustainable Development Goals (SDGs). SDG1 specifically targets ending poverty in all its forms by 2030.
- Initiatives: The UNDP works on the ground in many countries, providing expertise, funding, and support for national poverty reduction strategies. The UN also coordinates international responses to crises that exacerbate poverty.

2. World Bank:

- Position: The World Bank's mission is to reduce poverty and support development. It provides financial and technical assistance to developing countries for projects aimed at improving education, health, infrastructure, and governance.
- Initiatives: Key programs include Poverty Reduction Strategy Papers (PRSPs), which are country-led frameworks for poverty reduction, and various lending programs tailored to different stages of development and income levels.

3. International Monetary Fund (IMF):

- Position: The IMF focuses on macroeconomic stability, which it sees as crucial for poverty reduction. It provides financial assistance and policy advice to countries facing economic difficulties.
- Initiatives: Programs like the Poverty Reduction and Growth Trust (PRGT) provide concessional financial support to low-income countries, emphasizing structural reforms to foster economic stability and growth.

4. Non-Governmental Organizations (NGOs):

- Position: NGOs play a critical role in poverty eradication, often working in areas where governments and large institutions cannot reach. They focus on grassroots development, advocacy, and direct service delivery.
- Initiatives: Major NGOs like Oxfam, Save the Children, and CARE implement a wide range of poverty reduction programs, including education, health, emergency relief, and economic development projects. They also advocate for policy changes at national and international levels to address systemic causes of poverty.

Possible solutions addressing poverty

Addressing global poverty requires a multifaceted approach that considers economic, social, and environmental dimension. These following solutions incorporate different perspectives, acknowledging that a combination of strategies is essential to effectively combat poverty.

Microfinance and Microcredit Programs provide small loans to individuals and small businesses who lack access to traditional banking services. Microfinance empowers people to start or expand their businesses, thereby generating income and improving their living standards.

Support for Small and Medium Enterprises (SMEs), which are crucial for economic growth and job creation, especially in developing countries. The African Development Bank's support for SMEs has contributed significantly to economic growth in several African countries.

Universal Access to Quality Education ensure that all children have access to free, quality primary and secondary education. Education is a key driver of economic mobility and social development.

Vocational Training and Skills Development, which increases employability and addresses skill mismatches in the labour market.

Conditional Cash Transfer Programs for instance providing financial aid to low-income families, conditional on certain behaviours such as children attending school and receiving vaccinations. This may reduce immediate poverty and incentivize long-term investments in human capital. An example is Brazil's Bolsa Família program, which significantly has reduced poverty and improved health and education outcomes.

Universal Basic Income (UBI) providing all citizens with a regular, unconditional sum of money aiming for financial security, reduced poverty, and a simplified welfare systems.

Expanding Social Protection Systems, including health insurance, unemployment benefits, and pensions, mitigating the impacts of economic shocks and reduce vulnerability.

Improving Access to Healthcare, ensuring universal access to affordable and quality healthcare services, as good health is essential for economic productivity and quality of life. For example, Rwanda's community-based health insurance program has increased healthcare access and improved health outcomes.

Gender Equality and Women's Empowerment, promoting gender equality through policies that ensure women have equal access to education, employment, and financial resources.

Land and Property Rights, securing land and property rights for marginalized communities. This can increase investment, productivity, and economic stability. For instance, Ethiopia's land certification program has improved tenure security and agricultural productivity.

Sustainable Agriculture Practices improving food security and livelihoods. Sustainable agriculture can increase productivity, reduce environmental impact, and enhance resilience to climate change.

For example, agroforestry projects in Kenya have improved food security and increased farmer incomes.

Climate Change Mitigation and Adaptation, focusing on vulnerable communities. Climate change disproportionately affects the poor, exacerbating poverty and inequality. For example, Bangladesh's climate adaptation programs have reduced vulnerability and enhanced community resilience.

Strengthening Governance and Institutions by establishing and enforcing robust anti-corruption laws and institutions to monitor and investigate corrupt practices. This includes independent anti-corruption agencies, ombudsman offices, and strong judicial systems, as well as encouraging transparency through open government data, making government actions, budgets, and expenditures accessible to the public. This fosters accountability and allows citizens to monitor the use of public resources.

Conflict Resolution and Peacebuilding, investing in peacebuilding initiatives that address the root causes of conflict. This can involve dialogue facilitation, mediation, and support for post-conflict reconstruction and reconciliation. It should also promote inclusive and participatory political processes to ensure all groups have a stake in governance. Support free and fair elections, and strengthen legislative and judicial bodies to balance executive power.

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