



## **Keynote Speech**

**by**

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at **The World Political Forum, General Assembly**  
**“Poverty in the World – A Challenge to Globalisation”**

First Plenary Session:  
**“Poverty – a legacy, a calamity, a fatality?”**

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President Mikhail Gorbachev  
 Distinguished Chairman Mr Piero Bassetti  
 Excellencies, Ladies and Gentlemen,

It is truly an honour and a pleasure to be here today and participate at the second General Assembly of the World Political Forum under the visionary leadership of President Gorbachev. This year's focus on poverty is very timely and opportune as we prepare for next year's review of the outcome of the UN's Millennium Summit. I commend the World Political Forum for this initiative.

Poverty as such confronts us with a **multitude of complex issues**. Despite the continuous growth of the global economy and the outstanding levels of scientific and technological progress reached by humankind, large segments of today's world population are still plagued by endemic poverty, widespread hunger and recurring famine and witness increasing environmental degradation and demographic challenges, while lacking access to education, information, clean water and other indispensable community and health services.

**Poverty eradication continues to be THE challenge of our time.** The title of our session asks: poverty – a legacy, a calamity, a fatality? I would say it is **a reality** – more real than anything else in today's world.

**Poverty constitutes a barrier to human progress. It is a shame that more than a billion people are languishing in extreme poverty when we have reached the heights of material progress. But can we call that progress when such misery and deprivation pervade our world?**

Manifestation of poverty has evolved over time. **It has many different faces and affects particularly women and children in most dramatic ways.**

The invaluable work of Nobel Prize winning economist Amartya **Sen** has contributed to a crucial paradigm shift by focussing international attention on a different, multidimensional concept of poverty and development:

- \* from measuring development in terms of GDP per capita and poverty in terms of mere income deprivation,
- \* to a characterization of human development in terms of expansion of valuable human capabilities, with a great emphasis on individual freedoms and rights.

Professor Sen sees “development as freedom”. Hunger and poverty deprive human beings of their dignity and self-esteem, leaving them hopeless and incapable of achieving the kind of life they value and desire. Against this view, “freedom from hunger” is not a rhetorical cry. Poor economic opportunities as well as systematic social exclusion and deprivation, all constitute major sources of, what he calls, “unfreedom”.

This multidimensional concept of poverty and development is captured by the UN’s *Human Development Index*, and has also been incorporated in the latest World Bank’s *Development Reports*. These reports go beyond the definition of poverty as merely inadequate income; they go beyond human development, to show that **poverty is also vulnerability and lack of voice, power and representation**.

Widespread unemployment, marginalization and abuse based on ethnicity, gender or religion, social turbulence, repression, violence and terror are all closely linked to poverty and the concurrent lack of basic freedoms.

To fight poverty in this all embracing perspective is to ensure **HUMAN SECURITY**.

In our ever more interdependent world, this means:

- \* to **protect** the vital freedoms of people from critical and pervasive threats deriving from deprivation, economic downturns, and diseases,

AND

- \* to **empower** them to cope with such dangers.

These are the functions of any well-governed state.

I would like to assert very strongly that the eradication of **poverty is central to global stability and peace**.

In today’s world, people fear deadly attacks by terrorists; others suffer from genocide or massive violations of human rights; millions are dying from HIV/AIDS or are caught in a “poverty trap”, often aggravated by severe conflict or post-conflict situations.

These are huge, persistent problems, which require, as never before, the international community to stand united in a collective response.

The core of global deprivation is found in the conditions of abysmal poverty that characterizes the **fifty countries classified by the United Nations as “least developed”**. Thirty-four of these are in the African continent. Most others are in the Asia-Pacific region

When the UN General Assembly established the category of the Least Developed Countries (LDCs) in 1971, there were 25 such countries. Today the number of LDCs has doubled. These countries are the poorest amongst the poor, the weakest segment of the international community. They are too often torn apart by devastating conflicts, civil strife or exposed to natural disasters.

Another dimension of their continuing poverty is that in the last ten years, while globally the average annual rate of **population growth** has decreased, the LDCs' growth rate has remained high at 2.4 per cent. The combined population of LDCs is expected to nearly triple between 2000 and 2050, rising from 658 million to 1.8 billion. Despite the ravages of HIV/AIDS and other diseases, Africa is still the fastest growing region and will add approximately a billion people to its population by mid century.

The LDCs are least able to provide for growing population, which in turn threatens sustainable development and results in further deterioration in standards of living and quality of life. The environmental implications of growing population remain far-reaching for the LDCs primarily dependent on agriculture, and particularly where water is already scarce and land degradation and deforestation are most severe. The combination of extreme poverty, **population pressures and environmental degradation** is a powerful destabilizing factor driving both rural exodus and international **migration** that is expected to increase in both volume and impact.

At next year's stock-taking summit at the United Nations to review progress made towards the **Millennium Development Goals**, a **major breakthrough** will be needed if those goals, particularly that of reducing by half the extreme poverty in their countries, are to be achieved by the Least Developed Countries. The global partnership that is part of these goals needs a clear manifestation through concrete bold action for these countries.

**It is clear that both individual countries and the international organizations must do better.**

Despite the rapid and large increase in flows of trade, finance, and technology across the global economy, the three key elements of the globalization process, most poor countries have very limited access to the finance necessary for economic and social development. Foreign direct investment is highly concentrated on a narrow range of countries and official aid flows have been stagnant or declining in real terms.

For the LDCs to succeed and benefit from a fair share of the gains of globalization, **all this has to change**.

**Rich countries must live up to the promises they have made on aid, debt relief and fair trade.**

Three years ago, in **Brussels**, the international community came together to adopt a comprehensive programme of action for the LDCs. A commitment was made to provide 0.2 percent of the donor countries GNP as ODA to LDCs. We're very far from this target. Current ODA levels to LDCs reach only 0.06 percent of donors' GNP, amounting to 15 billion US dollars. To achieve the Brussels target, an overall increase of roughly 35 billion US dollars would be needed. And we all know this is an achievable amount.

Speaking of debt, huge debt service payments by the LDCs result in the regular diversion of a large part of scarce budgetary resources from crucial poverty reduction, food security, education and health programmes. I would like to reiterate here my call for **total cancellation of the debt** of the LDCs, made in my recent address at the UN General Assembly.

We see some flicker of hope when we hear of recent initiatives on debt cancellation by major players, but these initiatives need to quickly make the **leap from paper promise to concrete action**. Only such actions could ensure significant advances on both the poverty and partnership goals.

**Reaching the ODA target and cancellation of debt for the fifty poorest countries can truly bring some credibility to next year's summit.**

Such action however should not be seen as a charity. National efforts by the LDCs need to receive adequate, reliable and continuing support through international cooperation. We can ensure a better future for our global village when it becomes the responsibility of all. As long as billions of people have little hope of a better life, our world has no hope of being stable and secure.

A world that can afford almost a trillion dollars a year for military expenses **MUST** afford to mobilize the financial resources needed to help the developing world fight poverty, inequality and injustice.

**We MUST resolve to eradicate poverty because the cause of development is the cause of peace.**

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