



“Poverty eradication and empowering poor people: the central, guiding aim of all development objectives.”

Perspectives on poverty eradication by Mrs Sonam Yangchen Rana,
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Poverty is not a sectoral issue. It is not a “social” problem to be addressed as an afterthought. Poverty eradication and empowering poor people must be a central, guiding objective of all development objectives.

Thanks to Government leadership and the close partnership with the country’s many development partners, poverty has declined from 33.5% of the population in 2002/03 to 26.9% in 2007/08. The number of people living on less than \$2 a day has declined substantially in the past decade and the country has experienced steady improvements in health, education, living standards and increasing life spans.

Poverty reducing, but inequality increasing

There has indeed been remarkable progress made in reducing income poverty in Lao PDR.

But despite the many achievements, more still needs to be done to reach poor people and to enable them to benefit from an increased share in their country’s progress. Poverty and near poverty remain widespread, especially in rural areas. And although overall poverty has been decreasing, food poverty and inequality have been on the rise. Many Lao people in the most remote parts of the country still suffer periods of hunger in between harvests.

Many rural people still suffer from isolation, which can affect them in many forms including on the basis of economic access and factors connected with society, culture and language. Regional disparities and gender inequities challenge development efforts across the board and must be addressed if the MDG targets and goals of eradicating poverty are to be met.

Development challenges ahead

It is especially concerning that child and maternal mortality rates remain alarmingly high, among the highest in the region. People living throughout Lao PDR are also severely affected by malnutrition, with 23% of the total population and 37% of children under five being malnourished.

It is increasingly clear that poverty targets will not be achieved without immediate, decisive, and integrated action to address these issues. In this regard it is a very positive step that the Government will include the reduction of malnutrition and child and maternal mortality rates, as well as achieving the MDGs, as priority targets under the new Seventh National Socio Economic Development Plan.

Other major challenges that face this country include the importance of safeguarding the country’s valuable environmental treasure chest. This is being increasingly

threatened by short-term economic gains that could well result in huge longer term losses to the economy, the quality of life and human well-being in Lao PDR.

Climate change is a global and regional issue which will have direct impacts on the Lao PDR. Changes to the climate affecting food production and a likely increase in extreme weather events that lead to natural disasters, of which Typhoon Ketsana is a recent reminder, will undermine progress towards the achievement of all of the MDGs as well as Government ambitions to exit LDC status by 2020. Climate change must be adequately addressed through thorough preparation for, and adaptation to, its impacts.

Land distribution is central to food security and how land distribution is implemented can either increase or decrease poverty. This is particularly important since 80% of population depends on agriculture for subsistence and land constitutes poor people's only safety net. In order to ensure that land is available to those who need it most, further improved governance is required in the areas of land, mining and forestry.

Focus on Quality and Sustainability of Growth

Attention must be given not only on the quantity of growth, but increasingly on the *quality* and *sustainability* of growth and development. While there is a link between growth and poverty reduction and there is little or no prospect for reducing poverty when the economy declines, research and the experiences of countries around the world show that not even moderate nor high growth are guarantees of poverty reduction. In order to reduce poverty in its fullest sense, growth must be achieved in a sustainable process that enhances the human capabilities and increases poor people's access to productive assets.

In the very immediate term, much greater investments in human development, the social sectors and environmental sustainability are required. Greater investments in social protection will be especially important given the potential impact of the global economic and financial crisis and other external shocks. Putting in place well-designed and effective social safety nets aimed at catching those most at risk will help protect the valuable socio-economic gains achieved in recent years including progress towards the MDGs and graduation from LDC status.

Attracting quality foreign direct investment that transfers valuable skills and knowledge, sustainable jobs and protects the country's environmental resources will be essential for reducing vulnerability and increasing sustainability.

Greater participation of people in the national development debate and related decision making will also contribute to the achievement of these important development goals. Poor people have the strongest motivation and the greatest stake in the outcomes of poverty reduction goals. Civil society organizations have an important role to play. In this respect, the Government's efforts and recent decrees on international NGOs and national associations are acknowledged and recognized.

The quality and reliability of data will also need to be greatly improved to better inform planning and decision making, as well as to meaningfully verify improvements in such critical socio-economic and environmental indicators.

With partnership between the Government, the United Nations and development partners, all of these factors can profoundly influence the lives of poor people for the better, and they must form the cornerstones of poverty eradication efforts for the Lao PDR.