

# MAKEPOVERTYHISTORY

## MP Meetings: Talking Points

### 1. General Talking Points:

- Over a billion people around the world live in abject poverty. 30,000 people die from extreme poverty every day. Every three seconds a child dies as a result of extreme poverty.
- World poverty is sustained by a combination of factors: injustice in global trade; the huge burden of debt; and insufficient and ineffective aid. Each of these is exacerbated by inappropriate economic policies imposed by rich countries.
- Despite the promises of world leaders, at our present sluggish rate of progress the world will fail to reach internationally agreed targets to halve global poverty by 2015.

### 2. Why do we want more aid?

- Our world has never been richer, but too little of the world's wealth is going to the people who need it most.
- It has been estimated that to achieve the Millennium Development Goals, which include targets such as halving extreme poverty and hunger by 2015, global aid levels will need to be doubled. Completely eliminating extreme poverty from the world will require even greater increases in aid.
- The New Zealand government's aid is focused on our Pacific neighbourhood. Some Pacific Island countries, especially those in Melanesia, are falling badly behind when it comes to achieving the MDGs, and need more assistance to achieve substantial reductions in poverty.

### **The New Zealand government must fully commit to reaching the 0.7% target by 2015.**

- Rich countries, including New Zealand, have promised to provide 0.7% of their gross national income in aid. Sixteen out of the 22 OECD donor countries have reached their 0.7% commitment or have timelines for doing so. New Zealand is not among them.
- This year's budget saw New Zealand's aid spending increase from 0.23% of Gross National Income to 0.27% for 2005/2006. This is set to increase further to 0.28% in 2007/2008. However, New Zealand is one of only six developed countries that have not yet committed to reach the United Nations target of giving 0.7% of national income in aid by 2015. This is despite the fact that New Zealand agreed to the 0.7% target in 1970!

### **The New Zealand government should advocate for the reduction of excessive military expenditure worldwide and for the redirection of those funds to social spending that meets human needs.**

- The amount of money spent on the tools of development is tiny compared to the amount spent on the tools of destruction. Global military expenditure last year was US\$1,035 billion - on average more than US\$2.8 billion every day. Official aid to developing countries in 2004 was US\$78.6 billion, the highest level ever but still less than 8% of what governments choose to spend on maintaining and

- equipping armed forces.
- The estimated amount of aid required to achieve all of the MDGs is less than twenty-five days of global military expenditure.
- The need for all governments, rich and poor, to reprioritise their spending to meet human security rather than military security has been agreed by United Nations member states since 1945, but has not been put into practice. If governments are serious about reducing poverty, it is time for them to act on this now.

### 3. Why do we need better aid?

- Developing countries urgently need better aid to provide them with the resources to reduce poverty.
- Well-targeted aid can help to provide basic services, spur economic growth and development, and empower poor communities to find their own paths out of poverty.

#### **New Zealand Government aid must focus on poverty eradication and fostering human rights.**

##### **AID WORKS!**

The New Zealand Government has taken significant steps to improve the quality of its aid programme since the establishment of the government aid agency NZAID in 2002.

- The recent review of NZAID's practices by the OECD was positive, and found the aid delivered to be effective. The results of one field visit were described as 'relevant, producing results and contributing, both directly and indirectly, to poverty reduction'. (OECD: 2005),
- But it is important to ensure that these improvements are sustained. For example, a decreasing proportion of New Zealand's aid money is spent on procuring goods and services in New Zealand, and NZAID should continue this trend towards making greater use of local talents and resources in developing countries.

#### **The New Zealand government should also ensure that aid is not linked to the acceptance of economic policies like trade liberalisation and privatization and must support poor countries' and communities' own plans and paths out of poverty.**

- Developing countries should be able to determine their own economic policies, based on local needs and conditions, rather than being forced by donors to implement policies such as privatising state-owned enterprises or removing protections from local industries.

More and better aid alone is not the answer to global poverty – it must go hand in hand with trade justice, debt cancellation, and the reorientation of government expenditure from military to social spending. In the long term, structural changes that create a fairer world for poor countries and peoples should make aid unnecessary. But in the short to medium term, effective aid will continue to play a vital role in making poverty history.

#### **New Zealand is on the right track towards ensuring that its aid is given in the right way, and we should be encouraging other donors to improve their practices.**

#### 4. Why do we want the debt dropped?

- The burden of unpayable debt is crippling many of the world's poorest countries.
- Debt repayments eat up huge sums that could be spent on health, education and clean water.
- A start towards solving this problem was made in June 2005, when the finance ministers of the G8 agreed to cancel 100% of the debts of 18 countries. But to be eligible for debt cancellation, these countries have had to implement harmful conditions, such as privatization of basic services and trade liberalization.
- There are also more than 40 other countries that desperately need full or substantial debt cancellation, including our Pacific neighbor, Papua New Guinea.

#### Debt relief works!

- In Benin, 54% of the money saved through debt relief has been spent on health including rural primary health care and HIV programmes.
- In Tanzania, debt relief enabled the government to abolish primary school fees, leading to a 66% increase in attendance.
- After Mozambique was granted debt relief, it was able to offer all children free immunisation.
- In Uganda, debt relief led to 2.2 million people gaining access to clean water.

**The New Zealand Government should advocate for the immediate cancellation of all external debt of the most impoverished countries, without harmful conditions and for the establishment of a fair and transparent debt arbitration process.**

#### 5. Why do we want trade justice?

##### Why trade matters

- Along with aid and debt relief, changing the way international trade works is one of the most important things that we can do to work towards making poverty history.
- International trade has the potential to reduce poverty substantially. It has been estimated that if Africa, South and East Asia and Latin America were able to increase their share of world exports by 1% each, the resulting gains could lift between 43 million and 128 million people out of poverty (4 to 12% of all those currently in poverty). This could generate an increase in income of US\$30 per head per year (7%) in the poor countries, modest indeed by our standards, but much more than current aid provides and crucial to poverty alleviation.
- However, international trade will only significantly reduce poverty if it is fair.

##### New Zealand's role in international trade

- Because New Zealand has relatively low trade barriers and our government does not subsidise agriculture or industry, our position on international trade can be seen as less hypocritical than that of the United States and the European Union.
- However, in pressing for developing countries to liberalise too far and too fast, the New Zealand government is ignoring the development needs of poor countries.

Such liberalisation threatens to leave poor countries unable to foster the growth of new industries or to prevent the destruction of existing industries, and exposes them to the devastating effects of agricultural dumping.

**The New Zealand Government should advocate for fairly negotiated trade rules that do not undermine people's livelihoods, the rights of poor farmers and workers, or developing countries' rights to determine their own development.**

- The New Zealand government has also failed to speak out against the World Bank and the International Monetary Fund, which impose trade liberalisation on developing countries as a condition of aid and debt relief.
- Most importantly, in recent years the New Zealand government (along with the government of Australia) has pressured Pacific Island countries to adopt international trade agreements that are likely to harm their peoples and environment.

**The New Zealand Government should advocate for an end to unfair trade practices that benefit rich and powerful interests at the expense of poor people, and for the regulation of transnational corporations to ensure the protection of people and the environment.**

- With respect to the trade in arms, some New Zealand companies are involved in exporting military equipment and weapons internationally, and this is done with the approval of the New Zealand government.

**The New Zealand Government must also advocate for an end to the international trade in weapons and military equipment where that trade leads to, or encourages, armed conflict.**

##### **5. Why are we demanding an end to child poverty in New Zealand?**

- The start that a child gets in life profoundly influences his or her lifelong outcomes across health, education, welfare and justice.
- There is an established link between poverty and poor outcomes for children. For example, children in the poorest households are three times more likely to be sick than children in the richest households.

In a country as wealthy as New Zealand, there is no excuse for failing to provide all children with the basic necessities of life – a warm, dry place to live, a healthy diet, medical care, and adequate schooling. We need a plan to be put in place that will ensure that all children have these things, regardless of whether their parents are in paid work or not.

The New Zealand government must:

**Establish a systematic plan and timetable to end child poverty in New Zealand.**

**Develop a comprehensive range of policies designed to ensure that all New Zealand children must be provided with the basic necessities of life, including warmth, housing, adequate nutrition, healthcare and educational opportunities.**

**Ensure that no child is discriminated against in measures to reduce poverty, including discrimination on the grounds of parental employment status.**