

## **UNRISD Flagship Report, *Combating Poverty and Inequality*, promotes public services as central to real economic development and achieving the Millennium Development Goals.**

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Universal and public social services provision is central to economic development and key to meet the Millennium Development Goals (MDG), says major United Nations research report. *The United Nations Research Institute on Social Development, UNRISD Flagship Report: Combating Poverty and Inequality*, released on September 3 at the Geneva United Nations offices, is prefaced by United Nations Secretary General Ban Ki Moon “as an effective tool to mobilize governments”, a tool which advocates for “new directions in macroeconomic policy and structural change to generate decent employment”.

UNRISD strategic document, based on in-depth review of real economic and social outcomes of countries as diverse as India, China, Russia, Costa Rica, Nigeria, Kenya, Cambodia, Ireland, Mexico, Brazil and others, advocates a complete change in directions and demonstrates that the International financial institutions are leading the UN along the wrong path to reduce poverty and inequality.

UNRISD team of experts is coming from all continents and a large number of countries representing a wide array of economic development experience. The team demonstrates that the present path to the MDG, based on orthodox economics of fiscal stability, inflation control targets coupled with programs targeting the poor, represent the old structural adjustment with a new warping, and increases income insecurity, unemployment, inequality, hunger and negligence of women, and is accompanied with public sector retrenchment which is detrimental to poverty and inequality reduction.

Targeting the poor, as opposed to universal social services, may not, in the end, affect the poverty level in a country, lead to economic take off, and could even decrease the possibility of good government based on equalizing outcomes. “*When a substantial proportion of a country's population is poor, it makes little sense to detach poverty from the dynamics of development*”. Targeting the poor tends to “*measure things that people lack to the detriment of understanding why they lack them.*” UNRISD team focuses on the means by which countries can increase the wellbeing of their populations and provides the policy ingredients through which people can get out of poverty.

UNRISD proposes an alternative path to real and equalizing State lead economic growth, an alternative based on real country experiences in several parts of the world. The strategy advocated is a bundle of proven evidence-based methods focussing on employment to generate well being, with ‘universal and public provision’ as opposed to ‘targeting’. It calls for “*comprehensive social policies that are grounded in universal rights*”, because “*Social policy, at its best, is transformative, and cannot be separated from efforts to create employment-centred growth and structural changes*”.

*Countries that have been successful.. have adopted heterodox policies that reflected their national conditions, rather than fully embracing market-conforming prescriptions.* Instead of the State as implementer of market-enhancing reforms of good governance as recommended by macroeconomic institutions, the strategy emphasizes the need to strengthen the State for universal provision of social services, leading a policy to stimulate investments in rural infrastructure, increase access to credit, or initiate public works. Simultaneously a well functioning State is based on the institutionalizing of rights, bargaining policy, and democratic form of government, the report argues.

The proposed employment centred strategy locates increased employment and equality through universal access as pillars of development, and considers labour rights as key components of universal social services, including decent pay, union rights, bargaining rights, and pro-women policies such as including care into the measure of GDP, all of which have demonstrated their role in strengthening services delivery and reducing poverty.

This contrasts with the market-based approach focussing on competition between health structures, user fees and vouchers or reward mechanisms, retrenchment of public services staff and increased privatization, the campaign on ‘corruption’ among staff, and arguments against minimum wage laws, ‘rigid’ labour laws, or unions’ bargaining rights.

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