

Poverty

Written by

Wednesday, 16 November 2011 11:08 - Last Updated Wednesday, 16 November 2011 15:12

Poverty: A social challenge that must be addressed Around 1.3 billion people live in conditions of extreme poverty, generally in areas of high biodiversity, who depend on biodiversity for food, health, and livelihood

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. Three quarters of the worlds' poorest citizens, or the sum of those living on less than USD2.00 per day, rely on the environment in a major way for their daily existence

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. Environmental income, or nature-based earnings, is crucial to the livelihoods of the rural poor as their household economies are anchored on natural resources. In the last decade, the connection between environment and the livelihoods of the poor had been well elucidated. Environmental income, the main sources of which are small-scale farming and the collection of wild food, materials and medicines, often contributes from one-half to two-thirds of the total income stream of poor rural families. Case studies show that the better management of ecosystems producing these goods and services can significantly increase the household incomes of the poor

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Poverty often leads to unsustainable pressures on nature and its biological resources. The Millennium Ecosystem Assessment (MA) of 2005 found that 15 out of the 24 major ecosystem services it assessed were being degraded or used unsustainably. These included plant pollination and the provision of fresh water, wood fuels, wild food and fish. The MA concluded that the greatest burden of ecosystem degradation already falls on the poor, and it will continue to do so in increasing measure should current trends persist. This makes world poverty intrinsically linked to ecosystem deterioration and biodiversity loss

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The ASEAN economic growth rates have fluctuated through the years, suggesting its dynamism and resilience during periods of economic adversities. This pattern is also reflected in its social development. The growth in incomes has allowed for increased public sector investments to meet the rising cost cover for providing social services. The region is home to 580 million people, with a steady annual growth rate of 1.9 per cent. Human development, as measured by the United Nations Development Programme's Human Development Index (HDI) values, varies widely among countries, signifying disparities in the level of development. While the variance is understandable, it should be noted that the 2005 HDI of individual ASEAN Member States have exhibited progressive increases in values since 1995

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, especially those bracketed in the medium ranked countries (i.e., Cambodia, Indonesia, Lao PDR, Philippines, Thailand and Viet Nam). Increases in the HDI can be attributed to significant improvement in life expectancy, rising prosperity with the expansion of middle-income families,

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and growing access to information and knowledge as literacy improves. Notably, the dramatic increase in HDI values was due to those from the least developed countries of the ASEAN.

A key social issue that remains challenging for most ASEAN Member States, except Singapore and Brunei Darussalam, is the attainment of Millennium Development Goal 1: the eradication of extreme poverty and hunger, which targets to cut the incidence of poverty by half by 2015. Many of the ASEAN Member States have made significant strides in achieving this goal. However, over 50 million people in the region are still living below the poverty threshold, at USD1.00 a day

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. This number may be much higher should the poverty threshold level be raised to USD2.00 a day. It is important to note that a significant number of the poor are in rural areas, and they exert intense pressure on the state and condition of natural resources in the region.

Although ASEAN economies continue to be largely agricultural, some significant shifts in the key drivers of economic growth are being noted in the region. Over the past decade, the share of the agriculture sector as a driver of growth has been declining. Conversely, the share of the industrial and service sectors have been rising significantly. This trend was manifested in 2005 and 2006 when economic growth in the region was attributed to the boost in the exports of electronic products and increases in services relating to the electronic industry

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. While this shift may be a welcome transition for many Southeast Asian countries that have relied on agriculture to propel their economies, this may also generate negative social and environmental impacts if done without the necessary policy and infrastructure support. In the context of the sustainable management of natural resources, including biodiversity, the implications of such a growth pattern could be far-reaching, potentially affecting the overall sustainability of economic growth in the region. Concern among ASEAN Member States that unbridled growth may lead to unsustainable economic growth patterns is not unfounded. As has been observed, a number of the environmental issues currently being experienced are invariably linked to the way the countries pursue economic growth.

Rural-urban migration is significantly rising in the region. In 2005, the United Nations reported that 42 per cent of the ASEAN Member States' population is in the urban areas, which is double the ratio of rural-urban population in the 1960s

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. At the current population growth rate, it is projected that more people will live in urban areas than in rural areas by 2020

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. This trend has profound implications on the quality and integrity of the environment, not only in urban centers, but also in the immediate vicinities of cities. Unabated urbanization has given

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rise to water and air pollution, solid waste management problems, unsafe disposal of toxic and hazardous waste, the proliferation of informal settlers, and the conversion of other productive land areas for urban use. Urbanization has also resulted in a major change in the consumption patterns of people that exert additional pressures on the environment. This change is particularly significant since the ASEAN Member States are also renowned for producing environmentally sensitive products for export and domestic consumption.

While economic development is crucial to meeting the Millennium Development Goals on poverty reduction, long-term sustainability will be undermined should biodiversity issues not be taken into account in all decision-making processes across all sectors. Many actions that could be taken to eradicate extreme poverty are likely to accelerate biodiversity loss in the short-run. The Convention on Biological Diversity further emphasizes that the existence of trade-offs implies that environmental considerations, including those related to biodiversity, should be integrated into the implementation of all relevant MDGs.

The eight developing countries of the ASEAN, namely: Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam, have adopted MDGs as a platform for development (Table 1). However, disparities in MDG performances exist, and observations are made based only on available data. Indonesia, Malaysia, Viet Nam and Thailand are considered as early achievers in meeting Target 1: Halve the proportion of people whose income is less than USD1.00 a day.

□ Table 1. □ Progress in achieving MDG 1 Target 1: Halve the proportion of people whose income is less than USD1.00 a day

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COUNTRY	DATA ON MDG PERFORMANCE
Cambodia	The official figures of Cambodia indicate that the poverty headcount index at the national level declined slightly from 39 to 35.9 per cent between 1993 and 1999. A significant number of households are also very close to the poverty line and highly vulnerable to falling into poverty. ¹³
Indonesia	The poverty level in Indonesia was previously increasing, consequent to the economic crisis in 1998. However, the country has succeeded in lowering the number of poor people from a baseline of 23.4 per cent to 18.2 per cent in 2002, to 17.4 per cent in 2003, and to 16.7 per cent in 2004. Meanwhile, the portion of the population whose daily income is under USD1.00 also dropped from 9.2 per cent in 2001, to 7.2 per cent in 2002. ¹⁴
Lao PDR	Poverty reduction is central to the Lao PDR's development agenda. A strong commitment by the government and international donors has contributed to a remarkable record of poverty reduction over the last 15 years. Poverty was reduced by nearly 30 per cent from 1992 to 2006. ¹⁵
Malaysia	Poverty eradication is the over-arching goal among the MDGs, and Malaysia's story in this regard is remarkable. In Malaysia, less than half of all households were poor in 1970. This proportion was halved in about 15 years, and more than half again in the next 15 years. By 2002, only 5.1 per cent of households were poor. ¹⁶
Myanmar	Poverty is one of the major challenges facing Myanmar, particularly in the remote and border areas. The Household Income and Expenditure Survey of 2001 showed that the estimated poverty rate is 20.7 per cent for urban areas and 28.4 per cent for rural areas, or a rate of 26.6 per cent for urban and rural combined. The poverty gap ratio was 6.9 per cent. This survey was conducted by the Central Statistical Organization of its Ministry of National Planning and Economic Development. ¹⁴
Philippines	As of 2003, the proportion of people with incomes below the subsistence threshold was 13.5 per cent (i.e., 10.2 per cent of all Filipino families), down from the baseline figure of 24.3 per cent (i.e., 20.4 per cent of all Filipino families) in 1991. This represents a decline of 0.90 percentage point each year. At this annual rate of decline, the Philippines is on track in meeting its target of halving the proportion of people below the food threshold. The Mid-term Philippine Development Plan 2004-2010 has set a higher target in terms of proportion of families falling below the subsistence threshold: 8.98 per cent by 2010. ¹⁵
Thailand	Most, if not all, of the Millennium Development Goals will be achieved by Thailand well in advance of 2015. Poverty incidence has already been reduced by two thirds, from 27.2 per cent in 1990 to 9.8 per cent in 2002. This success can be attributed to a powerful mix of national harmony, astute policy-making, the strengthening of democratic governance, the robustness of the Thai, rapid economic expansion, public investment in social services for all, and advantageous historic and geopolitical circumstances. ¹⁴
Viet Nam	The poverty rate in Viet Nam, measured by international standards, fell from 51 per cent in 1993 to 24.1 per cent in 2004 – with nearly 60 per cent of poor households moving out of poverty. However, the pace of poverty reduction slowed down between 1998 and 2004, with an annual average of a 2.4 percentage point reduction in the number of poor in the last two years. Viet Nam is among the countries that have successfully achieved the goal of halving the proportion of the poor and

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