

# STATISTICS FOR THE ELIMINATION OF WORLD POVERTY

SPEECH BY THE RT. HON. CLARE SHORT, SECRETARY OF STATE FOR INTERNATIONAL DEVELOPMENT AT THE MEETING ORGANISED BY THE OECD DAC, THE UNITED NATIONS, IMF AND THE WORLD BANK, PARIS, 18-19 NOVEMBER 1999

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## *Introduction*

1. I am very pleased to be here with you today and grateful to all those who have made the meeting possible. I am increasingly convinced that improved statistics are key to us meeting the most important challenge facing humanity as we are about to enter a new century and new millennium. That is why I am so pleased to be able to address your meeting.

2. It is I believe indisputable that the greatest moral challenge we face is the fact that one in four of the people with whom we share this small and beautiful planet live in abject poverty. I also believe that we live at a time when it is possible to make a massive advance in systematically reducing this poverty. But in order to do this we need to turn the development efforts of the international community from an obsession with inputs and generalised rhetoric about poverty to a clear focus on outputs and year on year measurement of effectiveness in reducing poverty against our agreed targets in each and every country.

3. We live at a time of historical opportunity for a number of reasons. Firstly because the cold war is over and all the ulterior motives that it brought into development can be discarded. Secondly because we have learned painful and massive lessons about the most beneficial balance between states and markets. We have thus learned how to create the conditions for rapid but sustainable economic growth and the investment in human development necessary to systematic poverty reduction. Thirdly we have clear and definite targets that have been agreed by almost all the governments of the world at the UN Conferences of the 90s. This gives us the outputs around which we can all collaborate in measuring our progress. The World Bank, IMF, UN system, developing country governments and donor governments through the development committee of the OECD have all agreed that these targets are desirable and achievable. This is probably an unprecedented level of agreement. Let me remind you what the targets are :

- The main target is to halve the proportion of the world's population living in abject poverty by 2015. But there are a set of associated targets. This means a billion people being lifted out of poverty within 20 years. Obviously this is not a final target. But if we can halve the proportion by 2015, we can go on to set another target and look forward to the elimination of abject poverty from the human condition before we are half way through the next century.
- universal primary education in all countries by 2015. This paves the way for illiteracy to be removed from the human condition for the first time ever within 20 years.
- demonstrated progress towards gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005. You will be aware that educating a generation of children including the girls - even just to primary level - is the most profoundly developmental change a country can make
- a reduction by two-thirds in the mortality rates for infants and children under age 5 and a reduction by three-fourths in maternal mortality, all by 2015. In these days of massive technological change, massive capital flow and information overload, many millions of children still die from curable diseases and poor nutrition and many who live are permanently damaged by malnutrition. In many parts of the developing world childbirth remains a major threat to women's lives.

- access through the primary healthcare system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015. 2/3<sup>rd</sup> of women of reproductive age in developing countries have access to contraception and can now control their fertility and choose when to have their children. This fundamental right should be extended to all by 2015.
- and the implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015. Within 20 years 2/3rds of the people of the world will face strains over water supplies unless we conserve our environmental resources better.

4. My worry is that if we do not improve our statistical capacity in developing countries, this great opportunity will be lost. Five years from now we could see the international community locked into a collaborative, output driven system that measures progress against our 21 agreed indicators year on year, country by country. Or - if we lack the statistics we need, the whole credibility of the 2015 strategy will crumble. We can then go back to all the old rhetoric and mutual blame of development failure and many of the poorest countries could become permanently marginalised from the massive wealth production that globalisation is bringing. I hope today's meeting will help to prevent this highly possible future.

5. I am told by my statisticians this is a meeting with a difference. It brings together statisticians, analysts, policy makers and both national and international funders. Too many meetings about statistics are attended only by statisticians; too many which use statistics only by policy-makers. I really hope this meeting will make a difference.

6. Our aim is to discuss how to develop the capacity to produce statistics needed in countries, regionally and internationally. We can contribute to taking the agenda forward here and when we return to our countries. Also we have the opportunity to make progress in subsequent discussions including by the UN Statistical Commission and Economic and Social Council sessions next year.

### **Importance of statistics**

7. Good statistics allied to appropriate Government policies can change things radically and for the better.

8. Taking the UK as an example, statistics have been crucially important to our history. In the 1850s we had poverty levels equal to those of the developing world right now. Life expectancy in London was 37 years, in Liverpool just 26 years. Communicable diseases cut a swathe through society and childbirth was perilous for most women.

9. Surveys carried out by members of the Fabian Society in the late 19<sup>th</sup> and early 20<sup>th</sup> century provided practical evidence with which to educate the public and provide the basis for reform and advance. This included Rowntree's work in York at the turn of the century which described and quantified poverty. As a direct result of this and other empirical work the UK Government introduced legislation to reduce poverty and widen access to health. Every student of social history in Britain knows that improved statistics were crucial to reform and advance for the mass of the people.

10. Statistics of course require skilled staff and other scarce resources to be devoted to them. But there is a much greater economic and human cost in not having necessary statistics. Two examples of this are firstly the need for sound economic statistics to inform macro-economic management. Misleading or out-of-date statistics can result in an unduly optimistic or pessimistic view of the economy and lead to wasted resources and a high financial and human cost. Development talk is full of statistics but they are often old and unreliable and thus fail to capture the policies that produce progress or failure until it is much too late. Badly informed decisions particularly affect poor people. Secondly, inadequate statistics on HIV/AIDS have hampered the development of policy responses internationally and in countries. The ICPD (Cairo Conference) +5 has produced new

targets for reducing HIV prevalence rates globally. Achieving the targets will require appropriate statistics to inform policy and monitor progress.

### **International development targets**

11. Statistics are needed not only to monitor progress towards the International Development Targets but also in order to achieve them. They are needed to provide the basis for rational evidence-based decision making in order that available resources are used effectively and efficiently. Statistics are needed to provide a picture of society and to hold governments accountable for their activities. They have a fundamental role in macro-economic and sector management, in designing policies to reduce poverty and to further the good governance and human rights agenda.

12. Statistics need to be independent of the political processes and people need to have confidence in them. Politicians may not like this but the threat to democracy is great if honest, independent statistics are not produced. Statistics need to be relevant and useful if they are to gain political and financial support and if they are to become the tool they can be in poverty reduction and in making an impact on the lives of poor people.

13. And statistics are needed not only in developing countries but to persuade the public in donor countries who have become cynical about aid because they believe it is wasted on corruption or grandiose projects which do not help the poor. We need more effective development and better statistics to demonstrate progress in order to persuade our publics of the value of aid and development programmes. For instance, the debt campaign has been huge and effective - the hundreds of thousands of ordinary people have changed the policies of the richest and most powerful governments in the world. The people who stood in chains round Birmingham and Cologne want to know that the debt that is now going to be cancelled is going to reduce poverty and improve people's lives; this is why they campaigned. If we can show that debt relief helped the poor they will keep on campaigning, if not, there is a danger that they will feel disempowered and turn away.

### **Indicators of development progress**

14. Good progress has been made in developing indicator sets and there is convergence between them. I am personally frustrated that each organisation wishes to add more so that the costs and difficulties escalate. But I appreciate that other national, sectoral, diagnostic and process indicators are needed alongside the international sets. The international sets themselves need to be clear, robust and accessible.

15. We need also to keep in mind the pressures on national statistical offices. In this context it is, I am sure, better to think in terms of data collection instruments, such as surveys, censuses and administrative records, rather than just the number of indicators involved. One data collection instrument, for instance a well designed household survey, can satisfy the needs of various indicators. But the international community should not demand an impossibly large number of indicators. I believe that we should stick as close as possible to the agreed 21 indicators disaggregated by gender agreed 21 indicators disaggregated by gender and then leave individual countries to make their own decisions on the additional indicators they need.

### **Developing the capacity to produce statistics**

16. The international development targets have raised the profile of statistics as never before but this work has shown up weaknesses in the statistics available nationally and internationally and the need to develop the capacity of countries to produce statistics. It is clear that there is still a critical shortfall in the amount of national and international effort devoted to developing sustainable statistical capacity. I ask myself why? I feel inclined to say those who want progress want better statistics. Those who don't, don't.

17. According to the latest World Development Indicators only one-third of countries have a national poverty line or can estimate the proportion of their population with incomes

below the international \$1 a day purchasing power parity indicator. Around one half have statistics on literacy rates, completion of 4<sup>th</sup> grade of primary education or HIV prevalence among young pregnant women. But as I have said the development of statistical capacity is not only about indicators. We need to consider the underlying statistical systems. I must not be too impatient. I agree much good work has been done. For instance in the 1980s few African countries had nationally representative poverty surveys but by now almost all have one, in many cases complemented by qualitative assessments - but we need further progress.

18. We need our statisticians to measure and monitor poverty and social development and to put it in context. This has a number of technical and resource implications for statisticians who must balance the demands of users, both national and international; the immediate needs for statistics against the longer-term development of sustainable systems; the demand for detail against the demand for speed; and the need to reconcile data from different sources.

19. The aim should be to develop sustainable systems, within a strategic framework and work plan, which respond to the demands for statistics and statistical analysis. Policy makers should demand this information and be prepared to allocate funds to secure it.

### **Some issues**

20. There is a shortfall in the statistics available for a number of reasons. These include : Firstly, a circle of under-funding has led to poor statistics and limited access to and analysis of statistics. This results in marginalisation and lack of demand for statistics, low status of statistics offices and in turn more under-funding. This can be reinforced by the continued allocation of resources for the collection of lower priority statistics with considerable time lags. Statistics need to help policy-makers to deal with today's problems, not yesterday's. Relevance and timeliness are crucially important.

Secondly, reflecting further on the low level of demand for, and access to, statistics, too little attention is paid to using statistics in policy and decision-making, and for monitoring and democratic accountability. Civil society does not generally have available to it the body of statistics needed for effective participation in and commentary on government policy and performance. And nor does it realise it should demand such statistics.

Thirdly, the immediate need for key statistics, for instance for poverty monitoring, has led in some cases to ad-hoc, uncoordinated donor funding for data collection activities which lack critical mass. These have often failed to address effectively institutional and systemic problems and can distort priorities. This can fuel the vicious circle with donor-funded statistics and guestimates discouraging countries from investing in creating sustainable statistical systems. Much capacity has been built in the past which has been allowed to erode.

Fourthly, organisational and institutional constraints affecting the public sector in a number of countries hamper efforts to develop sustainable statistical systems.

Fifthly, there is a need to develop the skills base of statisticians in a number of countries.

Partly this reflects years of under-funding and neglect but also it is needed to equip statisticians better to deal with new demands for different sorts of statistics which are more immediately relevant to policy concerns, and to do so more quickly.

### **Challenges ahead**

21. The time is now ripe to implement a coherent strategy. The strategy should address the need for:

agreement internationally on the basis for monitoring progress towards the International Development Targets.

commitment by statisticians and their policy colleagues to early publication of good quality, relevant statistics and to increase their use in evidence-based policy making

a systematic approach to build up better statistical systems covering the broad range of statistics needed to support development and which can be sustained in the future

use of appropriate new technologies

better linkages between users and producers of statistics and between donors and developing countries  
commitment of national governments to realistic funding  
increased donor funding for sustainable capacity building which meets national and international needs a more strategic approach which builds on current initiatives  
effective and coherent management of the strategy nationally and internationally

22. The main players are the policy-makers, statisticians and finance ministries in developing countries. They must also be given a greater level of support from the international community including the UN agencies, World Bank, IMF, OECD, EU and DAC members who are all represented at this meeting. We need to recognise that statistics are essential to plan and monitor the poverty reduction strategies required for HIPC2 and to provide a monitoring framework for HIPC2, the new PRGF, CDF and UNDAF which is truly locally owned. We need to work more closely together and ensure that our efforts are complementary and focus on assisting countries to develop sustainable systems for key statistics that meet their needs.

23. My Government has committed to increase the UK's ODA/GNP ratio and to refocus our development assistance on the reduction of poverty. We are backing reforming governments. We need models of success in development and for this we need improved statistics. But I am also strongly committed to increase aid effectiveness. Performance measures for my own department's effectiveness which I have agreed with the Treasury are linked to the International Development Targets and thus my capacity to persuade my finance ministry that my budget should be increased depends on statistics which measure progress towards them.

#### **In closing**

24. Looking back over the last 50 years, we can agree that an enormous amount of effort has gone into developing statistical methods and techniques, into harmonisation of classifications and standards, into sharing information. But we are still some way from having the statistics needed for effective economic and social development.

25. We are a disparate group, but I hope united by a common belief in the value of good statistics and a commitment to do better. My own view is that better statistics would lock the international system into invincible progress. I appeal to all of you to take this work more seriously. It is a key to a transformation of the effectiveness of development.

Statistics Department  
3 November 1999