

Japan-UNDP Joint Seminar

17 October 1997, Tokyo, Japan

**No Global Human Security
Without Poverty Eradication**

Keynote address

given by

**Dr. Mahbub ul Haq
President
Human Development Centre**

Mahbub ul Haq

No Global Human Security Without Poverty Eradication¹

It is certainly a great privilege to address you this morning in this Seminar on Poverty Eradication and Human Development. The opening statements of my good friend, Normand Lauzon, and our esteemed host, Mr. Oshima, have already set a very perceptive framework for our discussion.

I am glad that we are discussing these issues on the soil of Japan which I have always regarded as the original model of human development. Lacking natural resources, Japan invested liberally in its own people – particularly in education, skills and technology – and it built up human capabilities of its people and opened up many opportunities for them in domestic and global markets. Recently, a World Bank study estimated that only one percent of Japan's total wealth comes from natural capital, 14 per cent from physical capital (which includes machinery and buildings and all physical infrastructure) and as much as 85 per cent from human and social capital. The Japanese model of human development has served as a great inspiration to the East Asian industrializing tigers and continues to inspire many developing countries. So, let me say, that whatever your current economic difficulties – and we hope that they are essentially temporary – please do accept a sincere tribute from one who has found your model of development both unique and inspiring.

Concept of human security

There is a powerful thesis that I would like to explore with you this morning. The thesis is simply this: There can be no global human security without poverty eradication. If people wish to feel secure in their homes, in their jobs and in their environment in the rich nations, then poverty must be completely eradicated in the poor nations. Continuation of poverty on the present scale into the 21st century will be the greatest threat to global human security.

Why should that be so, you may well ask. Are these only scare tactics to frighten the people in the rich nations? Let me say in all frankness that I am talking about facts, not fiction; about realities, not myths. And let me clarify a few basic concepts.

First, poverty cannot be stopped at national borders. Poor people can be stopped. But not the tragic consequences of their poverty. Those consequences travel without a passport – and in unpleasant forms. Drugs, AIDS, pollution and terrorism stop at no national frontier today. They can strike with devastating speed in any corner of the world. It takes only one person to spread AIDS all over the world, only one person to smuggle life-destroying narcotic drugs, only one person to blow up the World Trade Centre. In modern times, people and their despair travel with unbelievable speed. When people

¹ Keynote address given by Dr. Mahbub ul Haq, President Human Development Centre, to the Symposium on Poverty Eradication and Human Development, in Tokyo on 17th October 1997.



themselves travel, they bring much dynamism and creativity with them. But when only their poverty travels, it brings nothing but human misery.

Second, let us recognize that human life is not safe in rich nations if human despair travels in poor nations. Life in rich nations can be cut short by many diseases that travel from poor nations. Jobs in rich nations can be threatened by migration from poor nations, whether legal or illegal. Environment in rich nations can be polluted by travel of global pollution across national borders. Let us clearly recognize that every drug that quietly kills, every disease that silently travels, every form of pollution that roams the globe, every act of terrorism that destroys life senselessly – let us imagine for a moment that they all carried a national label of origin, much as traded goods do, then there will be a sudden shocked recognition that human security concerns are more global today than even global trade. The same speed that has brought many modern products and services to our doorsteps has brought much human misery to our backyards.

Third, let us recognize that it is easier, more humane and less costly to deal with the new issues of human security upstream rather than downstream. Did it make much sense to incur the staggering cost of \$ 240 billion in the past decade in the rich nations due to HIV/AIDS when even a fraction of that amount invested well in primary health care and family planning education in poor nations could have prevented such a fast spread of this deadly disease? Is it a great tribute to international diplomacy to spend \$ 2 billion in a single year on soldiers to deliver humanitarian assistance in Somalia when such an amount invested much earlier in increased domestic food production and social services might have averted the final human tragedy – not just for a single year but for a long time to come? Is it a reflection of human ingenuity that we are willing to spend hundreds of billions of dollars on drug prevention and rehabilitation in the rich nations, but not even small sums on creating alternative livelihoods in the poor nations that produce such drugs.

The rich nations are paying for global poverty in any case, without fully realizing it. The choice is simply this: pay much smaller sums upstream and avoid much disruption, or pay enormously downstream after much human devastation.

Let us recognize that we need today a new concept of human security – reflected in the lives of the people, not in the weapons of their countries. It is time to recognize that most conflicts are now within nations, not between nations. Of the 82 conflicts in the last decade, 79 were within nations and 90 per cent of the casualties were civilians, not soldiers. When most conflicts are between people, not between states, and when these conflicts are often over diminishing income and employment opportunities, not over territorial disputes, why is the United Nations still landing peace keeping forces in these countries? Isn't it better to land development today than troops tomorrow?

Human security is not a concern with weapons. It is a concern with human dignity. In the last analysis, it is a child who did not die, a disease that did not spread, an ethnic tension that did not explode, a dissident who was not silenced, a human spirit that was not crushed.



Human security is a powerful, revolutionary idea, and it forces a new morality on all of us through a perception of common threats to our very survival.

If this is the perspective with which we must start – and I would venture to suggest that there is no other valid perspective today – then many policy implications flow from it. Let me elaborate just a few:

A new concept of development

The new concept of human security obliges us to choose a new concept of development as well. Development must enrich human lives, not just increase national production. Development must increase people's choices, not just increase income. These choices extend to all spheres of life – education, health, political freedom, community participation, cultural enrichment, and environmental improvement.

It is a poor bargain if an economy flourishes but lives of its people shrivel – as has happened in many feudal economies where economic growth and human lives got delinked since a few powerful groups hijacked most of the benefits of growth. It is even a worse bargain if you reach a level of \$ 30,000 of per capita income in rich societies but, when you come home after a hard day's work, you find that your son is on drugs, your daughter has been raped in a lonely subway, and your wife is seeking psychiatric treatment. What is the value of money after all if it does not improve human lives, if it is totally divorced from human values.

It is vital, therefore, to search for new models of development which enhance human life, not marginalize it; which treat GNP growth as a means, not as an end; which distribute income equitably, not concentrate it; which replenish natural resources for future generations, not destroy them; which encourage the grass-roots participation of people in the events and processes that shape their lives.

The issue is not growth *per se* but its character and its distribution. Those who postulate a fundamental conflict between economic growth and sustainable human development do no service to poor nations. To address poverty, economic growth is not an option – it is an imperative. But what type of growth? Who participates in it? And who derives the benefits? These are the real issues. To benefit the masses, growth's opportunities must be equitably distributed. And they must be sustainable from one generation to the next.

The heart of this concept is equity – within and between generations. But it is equity in opportunities, not necessarily in results. What people do with their opportunities in their own concern – but they should not be denied an equal opportunity to develop their human capabilities. Such equity, however, requires many structural reforms: better distribution of productive assets (including land and credit), open access to market opportunities, a conducive policy environment for job-led growth, social safety nets for

those who are bypassed by markets, and institutions of good governance. This is a formidable agenda, it requires tough decisions, it is not a soft option.

Concept of human development that we launched in HDRs in 1990 responds to the new aspirations of the global community. It defines human development as development of the people for the people by the people. It focuses on the entire society, not only on the economy. It builds production machinery around people, not people around production machinery. It is measured by a new yardstick: the Human Development Index. It is a concept of development, I would like to suggest to you, which is absolutely essential if we are to ensure global human security.

New framework of development cooperation

The present framework of development cooperation took its shape in the uncertain and dark years of the cold war. Aid was often given to strategic allies rather than to strategic objectives. Many of these scars of the cold war still continue. For instance, high military spenders get twice as much aid per capita as low military spenders. El Salvador gets 16 times as much US aid per capita as Bangladesh even though Bangladesh is five times poorer. About 50 per cent of the world's poor inhabit South Asia which receives only 12 per cent of world's total official development assistance. There is a poor link between aid and global human security.

It is necessary to change the real motivation of aid. It should not be considered as a charity to poor nations. It must be regarded as an investment in the survival of rich nations themselves. Aid should be linked to commonly shared objectives of population control, environmental improvement, drug control, poverty eradication. Aid should be relabelled as an important investment in global human security. To those who argue that rich nations have to cut aid today as they are confronted with their own budgetary crises, our response should be simple and blunt: budget problems are no reason to cut down investment in their own survival.

Besides changing the motivation and distribution of aid, we must enlarge the framework of development cooperation to include trade, investment, debt and migration. The 1992 Human Development Report analyzed that developing countries lose \$ 500 billion a year because of discriminatory treatment in trade (particularly in case of textiles and agriculture) and because of restrictions on the free flow of capital and labour, while they get only \$ 50 billion in aid. This is not the most handsome bargain in history. I am in favour of developing a consolidated index of all net flows (including aid, trade preferences, debt forgiveness, migration policies) which will shake up many donors when they confront the end result of their own policies.

There are many other issues which must figure prominently in the new framework of development cooperation. Let me mention just two: corruption and arms trade.



Developing countries transfer more corrupt money abroad each year than any aid they receive. Most Western nations – with the commendable exception of US – regard commissions and bribes paid by their multinationals as legitimate expenses of business and as tax-deductible. The offshore banks of Western nations accept the flight of this corrupt money, give it protection under bank secrecy laws, make handsome profits on it, while their nations give eloquent lectures to developing countries on protection of human rights. This is totally different from the treatment of laundering of drug money. It is absolutely essential that industrial nations should treat bribes by their multinationals as a criminal offense and treat safe havens for corrupt money on par with the laundering of drug money.

In many poor nations, a real competitor for investment in people is investment in arms. For instance, India and Pakistan, despite their crushing poverty, spend \$ 14 billion a year on military and have six times more soldiers than doctors. In the last four years, they have bought twice as many arms from the global arms bazaar as Saudi Arabia which is 25 times richer. And who is selling them these arms on subsidized suppliers credits, as a unique gesture of development cooperation? The rich nations cannot pretend that they are totally blameless in this reckless game of global destruction. Why not a new initiative to sell fewer arms and more human development? Why not ban arms sales to poorest nations and to potential trouble spots? Why not a new code of conduct on arms sales? Arms kill no less uncertainly than drugs. Why do we criminalize the latter but subsidise the export of the former?

A new role for the United Nations

At the same time, compulsions of human security demand a new framework of global governance. In the search for a human world order, global markets or automatic mechanisms cannot achieve justice for all nations or all people. Global institutions are needed to set rules, to monitor “global goods” and “global bads”, to redress widening disparities. Paradoxically, these global institutions are weakening exactly at a time that global interdependence is increasing. All global institutions desperately need both strengthening and reform.

All sorts of scenarios can be drawn up for the global economic and financial institutions of the 21st century. But let me just focus on a few reforms in the United Nations system to make it more responsive to the new compulsions of global human security.

It is interesting to recall that both pillars of national security and human security were clearly foreseen at the birth of the United Nations 50 years ago. No less an authority than the US Secretary of State, in a report in 1945 to the US President on the establishment of the United Nations, stated his firm conviction that:

The battle of peace has to be fought on two fronts. The first is the security front where victory spells freedom from fear. The second is the economic and social front where victory means freedom from want. Only victory on both fronts can assure the world of an enduring peaceNo provisions that can be written



into the Charter will enable the Security Council to make the world secure from war if men and women have no security in their homes and their jobs.

Did we really follow these two pillars of security in the UN? It appears that the onset of the cold war, immediately after the birth of the United Nations, got the United Nations constantly embroiled in conflicts *between* nations. The United Nations developed and perfected many of its peacekeeping techniques during this period. Whenever conflicts broke out between nations, the first order of business was to arrange a cease-fire, separate the combatants, even organize zones of peace, and initiate dispute settlement mechanisms. Security Council powers were often invoked (under chapter VII) to impose embargoes against the aggressor nation, particularly on arms shipments and on some forms of trade. Conventions and treaties covered all phases of war between nations: prohibiting biological warfare, censuring bombardment of civilians, ensuring humane treatment of prisoners of war under the Geneva Convention.

Most of the real action in the past 50 years was in the Security Council, even though the council was paralyzed at times by the rivalries among the superpowers. The rest of the UN development system merely limped along, with very inadequate resources and limited mandates. The first pillar of security – national security – consumed most of the attention in UN corridors. The second pillar – human security – was largely ignored.

After the end of the cold war, the United Nations has to adjust to new realities. It has to recognize that most conflicts are now *within* nations, not *between* them. It has also to recognize that these people-centered conflicts require a new concept of people-centered security.

The recent interventions by the United Nations in trouble spots around the world – Somalia, Rwanda, Bosnia – betray a certain lack of adjustment to the new realities in the past cold war era. Soldiers in blue berets are being sent to countries that cry out for socio-economic reforms. External intervention is being organized, hastily and thoughtlessly, in situations that can be handled only through domestic action, however long it may take and whatever the cost. After all, who are the combatants in Somalia or Rwanda? Who are the embargoes meant to punish? Who are the UN soldiers dispatched to separate? When people fight within a nation, it is a radically different situation than when nations fight. Yet the United Nations is applying to these new situations the same methods of peacekeeping that it applied to conflicts between nations. Neither its concepts nor its operations have changed.

It is time for the United Nations to adjust to the new imperatives of global human security. That requires several steps:

- An early warning system to forecast “potential trouble spots” upstream so that UN can land development today, not soldiers tomorrow.

- A permanent peace corps rather than a permanent police force to give assistance to countries in tackling their socio-economic problems.
- A significant enlargement of the development role of the UN system.
- An apex body, such as a Human Security Council, to consider the nature of global human security crises and to make prompt decisions to resolve them.

Let me deal briefly with the proposal for a Human Security Council.

In at least three areas, a Human Security Council can fill critical gaps in the system of global governance.

First, the Human Security Council can provide leadership in tackling the shared global economic crises of narcotics trade, travel of diseases (like AIDS), global pollution and international terrorism. This role of the Council will be of particular interest to rich nations, because they are a shrinking minority in a fast-expanding global population and can no longer protect their people exclusively through their own efforts. They need the cooperation of the majority of the world's people. The developing countries' incentive to cooperate will be greater if global attention is given to their poverty problem – attention that a Human Security Council can bring, since many of these global crises cannot be resolved without attacking the root causes of deepening poverty in the developing world.

Second, a Human Security Council can help establish an early warning system and the modalities for global assistance in internal conflicts. The present Security Council, wholly inappropriate for this task, should confine its role to peacekeeping operations for conflicts between nations. Preventive diplomacy requires an advance warning system about what is to be prevented and when. There is an urgent need for the United Nations to consult the best expertise in the world and to evolve a comprehensive early warning system.

New guidelines must be prepared on where the United Nations should intervene, with what objectives, and for how long. UN intervention can be helpful mainly in preventive development, before situations deteriorate. What the United Nations needs to send countries is real development rather than soldiers, and it needs to do this far enough upstream to prevent the eruption of an internal explosion. The international community must recognize that it cannot police internal conflicts – it can only hope to prevent them.

Third, the proposed Human Security Council would be responsible for strengthening the UN development system. Several structural reforms are in order, each requiring tremendous political courage and continuous dialogue.

- The existing dispersed, under-financed and uncoordinated UN development funds and agencies should be integrated into a single UN Human Development Agency. Such an Agency would command sufficient resources, disbursing

grants of more than \$ 5 billion a year (more than the IDA) and having major impact on the development of poor nations.

- If it is impossible to set up a single integrated UN Human Development Agency, then we should try to reap the same benefits without physical integration of present development funds. All the existing UN development programmes should be brought together under a single human development umbrella – with a common development message, consolidated country missions and development strategies, and a unified structure for a common UN development service. Today's proliferation of field offices, development reports and turf battles must come to some merciful end, in the interest of both recipients and donors.
- An adequate resource base must be developed for multilateral initiatives, preferably through international taxes or fees. Many proposals are on the global agenda – a Tobin tax on speculative movements of international foreign exchange, a tax on fossil fuels, tradable permits for global emissions, a tax on arms shipments – each requiring continuous dialogue at the highest political level.

Some may argue that it will not be possible to change the UN Charter and to establish a new Human Security Council on these lines. But it would be a fallacy to seek marginal remedies through a restructured ECOSOC or through changes in the role and composition of the existing Security Council. If political will is weak, none of these marginal devices will work in any case. And if political will is strong, why not pick up one of the greatest challenges in redesigning global governance for human security?

Poverty eradication for human security

Let me finally deal with the issue of poverty eradication – though this is an issue that my former colleague, Sakiko Fakuda-Parr, will deal with more adequately as she introduces the 1997 Human Development Report which is focused on Human Development and Poverty Eradication. I shall make only a few observations.

First, what is critical for our analysis is poverty of opportunity, not poverty of income. Poverty of income is often the result, poverty of opportunity is often the cause. Poverty of opportunity is a multi-dimensional concept, embracing lack of education and health, lack of economic assets, social exclusion and political marginalization. It is only through a full understanding of the poverty of opportunity that we can begin to sense why people remain poor.

Second, poverty cannot be treated as a mere flu, it is more like body cancer. We cannot leave intact the model of development that produces persistent poverty and wistfully hope that we can take care of poverty downstream through limited income transfers or scattered poverty reduction programmes. If the poor lack education, if they

lack critical assets (particularly land), if they lack credit since the formal credit institutions do not bank on them, if they are socially excluded and politically marginalized, then a few technocratic programmes downstream are not the answer. The answer lies in a fundamental change in the very model of development so that human capabilities are built up and human opportunities are enlarged. In other words, the real answer lies in a major transition from traditional economic growth models to models of human development where people become the real agents and beneficiaries of economic growth, and no longer remain an abstract residual of *inhuman* development processes.

Third, we can all learn a great deal from various successful country experience for poverty reduction. Several countries have reduced the proportion of their people living in poverty quite dramatically in the last two decades – including Malaysia, China, South Korea and Colombia. There are many explanations for their successful experiences but, for busy policy makers, fervently searching for a few core strategies, it appears that six elements stand out:

- ◆ liberal investment in basic education;
- ◆ land reforms;
- ◆ availability of credit to the poor;
- ◆ pro-poor, well-distributed, job-led growth;
- ◆ people-centered development models, with at least the essential ingredients of women's empowerment and significant decentralization of decision making powers; and
- ◆ good governance, more good governance, and still more good governance.

Take these six core elements, shake them up vigorously, put them in a policy crucible, and it is likely – in fact, it is more than likely – that pro-poor growth will come out at the other end.

My fourth and last observation is about the constant debate between those who believe that free markets are good for every one, including the poor, and those who advocate judicious state intervention to protect the poor. I believe that it is time to bury this counterproductive controversy. There is no country in the world without some mix of market competition and state intervention. The real challenge is to discover that happy blend which delivers pro-poor growth. Let us face political realities. Markets are not elected by poor people, governments are. Markets can be brutal or indifferent to the needs of the poor, governments cannot be. Markets are there to promote efficiency, as they should. Equity is none of their concern. But governments cannot ignore equity since increasing inequalities can disrupt the political and social fabric of a society. So the real answer lies in finding a judicious blend between market competition and state intervention if we are to ensure that, while GNP increases, human lives do not shrivel.

Can poverty be eradicated in the next few decades? I firmly believe that it can be. But this is a subject that Sakiko is going to address.

Concluding remarks.

I have already spoken for too long. Let me now conclude by reiterating once again that global human security cannot be ensured without poverty eradication. Let us face it: human security is a concept emerging not from the learned writings of scholars but from the daily concerns of people – from the dread of a woman that she may be raped in a lonely street at night, from the anguish of parents over the spread of drugs among their children, from the choked existence of prosperous communities in increasingly polluted cities, from the fear of terrorism suddenly striking life anywhere without any reason. Human security is a people's concept and a people's concern: it is reflected in the shriveled faces of innocent children, in the anguished existence of the homeless, in the constant fear of the jobless, in the silent despair of those without a hope.

My great intellectual mentor and friend, Barbara Ward, was fond of quoting the poet Dunn who said: "We must all love each other or we must all die".

I shall not be as melodramatic as that. But it is true that the imperatives of globalisation have brought us all together. We must either learn to live together – or die together.

When we all meet on the grand highway of human life, the real question is this: shall we just wave and try to pass on as if nothing significant has changed our lives? Or shall we take up the new challenges and the new responsibilities of global human security? How we answer that question may well determine human destiny.

The choice is entirely ours.

