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Transcript

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# Poverty In Latin America: Challenges, Opportunities And Innovations

## MCC Hosts a Public Outreach Meeting

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# Transcript

AMBASSADOR IVONNE A-BAKI: And I'm so pleased to be here today with all of you, it shows that you really care what's going on in the world, and -- and especially in our region, Latin America, and the Americas. Thank you also to Millennium Challenge Corporation for hosting and fitting so many people into this room . It really shows that what's going on in this hemisphere is important for all of us.

And we have to really do something in order to be able to find solutions to these problems. And it's great to see so many faces that I haven't seen in a long time, that I love so much—the names I'm not going to mention, because it's most of you.

I'm happy to have my dear ambassador from Ecuador, Ambassador Gallegos, here today; I know he really cares so much about what's going on here. And I'm sure you all know how much he is trying to help and how Ecuador is leading in the region. And we're trying our best with our president, what he's doing now, to create the stability that, as you know, in Ecuador has been lacking for a long time.

Well, as a keynote speaker today, I view my role as one of provoking some ideas that can be discussed, and then together we can work to find solutions. Supposedly, just a few days ago, I had to end my one term as president of the Andean Parliament, but we didn't have yet the election of the new -- the new president, so they want to keep me, though I cannot do anything, because, as you know, now I'm running for candidate for UNESCO, so that's why -- I hope that by the end of the month they will have new president of the Andean Parliament and the General Assembly in Bogota.

The Andean countries is a region where poverty is not something abstract, that only exists in polite discussions. It's a part of the daily life. My term as president of the Andean Parliament made it clear to me that poverty is a common enemy that threatens us today more than ever before.

Only by working together and through cooperation between government and civil society and among neighboring countries can real change be achieved. I hope that my remarks -- my remarks pose as many questions as they offer answers, because it's answers that we need to have.

As you know, there are no easy answers when it comes to poverty, but we have to continue working on that. This event was organized along three interconnected perspectives -- challenges, opportunities and innovations -- so I'm going to approach the issue of poverty through similar lines.

The first, challenges, I would like to propose that one of the biggest challenges to addressing poverty in the region is its oversimplification by many in the policy community. It's very common to view economic development and poverty reduction as two separate issues. Some may view economic development as a driving force that will reduce poverty. We have seen that this is not necessarily so.

Programs and policies for economic development should go hand in hand with programs to reduce poverty. In fact, reducing poverty by investing in education and health care is the best way of achieving economic development.

The statistics are as startling. According to the United Nations Economic Commission for Latin America and the Caribbean, 34.1 percent of the region's population -- or 184 million people -- are living in poverty. Of those 184 million, 68 million live in extreme poverty.

Poverty is a disease that affects more than just the macroeconomic growth figures. It has an impact in every aspect of the culture of the region that is striving -- and justly so -- to put education, culture, the environment, and other social issues at the center of its agenda for progress.

Consider education in Latin America. There is a vicious circle, cycle that exists when poverty goes unchecked. In communities where the global economic crisis has hit local farmers and artisans, families will be tempted to forgo education for their children.

In some of the worst cases, they will not allow their children to attend school in order to have more help in keeping the family business alive, and it happens in our countries. It happens -- and you have to understand this. I mean, when there is poverty and a person doesn't have the means to continue and they have to make their children work, you will be trying very hard to try to change this paradigm, but it's not easy, and it needs the support of everyone to be able to change that.

And I understand this; I know families that work in the banana plantations, for example, and it's difficult for them to have the children go to school and at the same time work. I know that it's not for (inaudible) you see it as something that, why they are working?

But the thing is that they need that. So we have to give them an alternative. We have created, of course, schools in the farms that they go to -- the children can go to school and then maybe they can help, according to their age, help in the farm in the afternoons. But this is something that we have to really address very much.

And this situation is not just limited to Latin America. It's a global phenomenon. According to a 2009 UNESCO report, just 34 percent of school-aged children in Latin America are involved in primary or secondary school, only 34 percent. In North America and Western Europe, that number is 71 percent.

Poverty has also an impact in the environment. I am passionate about the environment, and I will ask you to forgive me if I speak in very harsh terms about how poverty impacts our ecosystems, our fragile climates, and our environment patrimony.

As founder and president of a Galapagos Conservancy Foundation, I was often struck by how a place as relatively small as the Galapagos can become a victim of a narrow-sighted approach to conservation. There are people who live in the Galapagos, and these people need income, income to survive.

It is poverty that drives many fishermen to poach and over-fish delicate and endangered species. It is poverty that drives farmers to settle and protect their areas. This is not only an issue of Galapagos. It's also an issue in the Amazon Basin, where the deforestation keeps advancing.

Well-meaning government organizations have at times looked at the environment, environmental changes, and poverty as separate and unrelated issues. This approach ignores the true realities on the ground.

Already there are several species of Galapagos giant tortoises that have disappeared from the islands. During this hour that we're here today, four unique species in the world will be pushed to extinction, and I think -- this is something that really shows us specifically how this has happened.

For example, in the Galapagos, we joined forces with other foundations, like Live Aid, for trying to -- to reduce the shark fins -- they were serving shark fins in shark fin soup, and now already they don't exist anymore in the Galapagos. We don't have any more of the sharks and if you know -- I'm sure many of you know -- that the importance of sharks in the ocean is really something that we have to take care of. It's -- they are the ones that give the oxygen (inaudible) to the oceans.

They are the number one of the species that really creates the continuation of the others. And the sea cucumbers are like the sharks but as long as you have this demand, there's going to be supply, because it's a need, again, because of poverty issues, so people would like to -- would have to -- to do something to make money.

So we have to work together with Live Aid, we joined forces and we started working on the demand part. And by doing so, using important known figures in China and Hong Kong and all over the world, like Jackie Chan and Yao Ming, we have reached over 1 million people in that area.

And the reduction of the shark fin soup served there, it went 32 percent less. So it means that it works when you promote something and tell people why it's not good to do it, then results come.

In the United States, Harrison Ford did also his pro bono to help in this issue, not only for the sharks, but for many of the animals that are in extinction.

So -- and we need the change in perspective. Poverty and development should be viewed as an integral part of any environmental conservation effort.

For each of these challenges that I have briefly touched today, there exists many more. I look forward to how we will explore some of them during a panel discussion today.

Just as there are challenges in our fight against poverty, there are many opportunities, as well. The global community has more data today related to poverty than ever before. From the United Nations to the World Bank to the (inaudible) bank, the issue is the benefiting from an explosion of technology and information-sharing, we know now that what are the impacts we can expect from a world from natural crisis or impending natural disaster?

Our data is emerging from that (inaudible) most actionable information that can serve as an early-warning system for poverty. I will take advantage of our presence today at the Millennium Challenge Corporation to note how the MCC uses UNESCO as well as other agency reports in formulating the criteria for determining whether development will work.

This is a trend we should encourage in other organizations (inaudible) and has the efforts being done to reduce poverty without needing to increase the resources.

Another important opportunity we have is the effort being done to integrate the region economically, culturally, and politically. Latin America is a large region; yet our people share a common history, common languages, religions, and customs.

By removing trade barriers between our countries, large and small corporations will benefit. By relying more on regional markets' economies and become more immune to national crisis and shocks, more importantly, more communities along the borders will be among the first to flourish.

In 1998 I was lucky to be part of the peace negotiations between Ecuador and Peru, which finally led to a comprehensive peace agreement after more than 60 years of war. As a result of this, Peru quickly became Ecuador's second-largest trading partner.

It's amazing how poor, forgotten towns along the border have flourished and are now important trading centers. Tourism, which also benefits poor communities, has also flourished. Now we have several daily flights between Quito and Lima. This is so important to strengthen the cultural bonds between our people, which are so crucial to maintain peace and understanding.

Also, by integrating capital markets and financial systems, resources can be more easily channeled to those areas most in need of investment. This investment is -- is so important to creating the job opportunities needed to reduce poverty. And by reducing poverty, more economic development follows, and we strengthen the virtuous -- the virtuous cycle of poverty reduction and economic development.

Another opportunity when it comes to poverty reduction is related to gender. This is such an important subject, and there is so much to say. As someone who has forwarded the cause of gender and who knows what it means to run for public office in a region that has for long been famous for its machismo, I'm happy to say that people are finally realizing the link between empowering women and fighting poverty.

The women of Latin America are our farmers. They -- they own our small businesses. They are the drivers of an economy that demands a mix of local knowledge, ingenuity, and hard work. But while we are aware of the connection, we need to make special efforts to ensure that women get their fair share of the opportunities available.

We spoke earlier about education, and we all recognize how important it is to make education available to boys and girls of the region. But what about access to capital? What about training? A proactive investment in women will have exponentially positive returns in Latin America's economy.

Two years ago, I invited Nobel Peace laureate Muhammad Yunus to Ecuador to learn from his experience. As you all know, through Grameen Bank, Mr. Yunus has been able to lift millions of people out of poverty. His approach mostly concentrates on giving small loans to women, organizing them into small collective groups, and giving them the training and support needed to make their small enterprises profitable. This is an example of how working to empower women reduces poverty.

We are now working to create similar microcredit banks in the Andean region with the help of Grameen Bank. There is now a consensus that gender issues are an important element in any act to reduce poverty.

Earlier, there was an example of a woman that was part of this Grameen Bank initiative that was created, and she was working very hard and doing more and more in this small industry she had, of making jam and trying to connect and sell it directly to others.

And when the economic crisis came, it was difficult for her to -- to continue, so we had to give her a little more help for doing that. And -- and the interesting part was when she said, "This job that has been given to me helped me educate my children." It was because of her having this opportunity of getting small loans that little by little (inaudible) industry that let her be able to put her children to school and herself to school back again.

So these kind of things we cannot just let them go -- we have to fight for it (inaudible) economic crisis is a problem, but education should never be taken for granted from that. Education should continue, because if we stop education because of the crisis, we'll have a next generation of problems in the world, and it will be more difficult after that.

But as we learn more, we realize how much more there is to be done. Our challenge is to find those less obvious opportunities in our programs and programs, to put gender at the core of our analysis and action, not as an afterthought.

Latin America is talking to itself in new ways. We have seen this with particular clarity in the Andes, where indigenous populations are interacting with vigor together with religious minorities and a generational feud for whom technology is a way of life.

New and previously ignored groups are increasingly participating in the social dialogue and are using new technologies to do so. I've chosen to talk about this issue as an innovation, because I had -- I see it as something that is gaining speed and that I predict will surprise us if we allow it to flourish.

Talking with local populations about the most viable solutions to reducing poverty ensures that policies and programs meet the needs of the people. Just a few years ago, economic stimulus programs were handled by governments, ministers and economic think-tanks. Today, the poor have a louder voice because of new communication technologies and because they are willing to use them.

Indigenous populations, civil society, and small businesses are using these technologies in a way to make sure that information flows to those who need it most. We in the policy community must listen more attentively.

Today, there are no excuses to ignore the voices of the indigenous populations clamoring for a voice in how decisions are made about poverty or culture or the environment.

Those of us here today agree that Latin America is an incubator for innovations. It's a place where proud people take their responsibilities seriously in providing a brighter future. As I have traveled the world most recently as president of the Andean parliament and over the past few months as candidate for an organization that so many of you here care about, UNESCO, I never tired for being a proud representative of this hemisphere of hope.

Many things find a comfortable home in the Americas. I challenge all of us here today to ensure the systemic poverty -- that systematic poverty is not one of them. Let's work together with passion and energy to maximize the knowledge and programs at our disposal. Let's work together to ensure that we are putting solutions to work for the people of this region. Let's continue to work together so that the vision of a prosperous, united and peaceful hemisphere can guide us forward.

And I'm very thankful for the Millennium Challenge Corporation for all the work that you're doing. Congratulations, really. This is what we need to have. I am pleased that you are doing it, and I'm pleased that you're joining the Council of Americas and others, because unity is what creates force. And we can use that force to work together, because we have to beat poverty. It's the only way to get to nonviolence.

(END OF COVERAGE)