

Concept note on the International Day for the Eradication of Poverty 17 October 2023



INTRODUCTION

This year marks the 30th anniversary of the International Day for the Eradication of Poverty, designated by the United Nations to raise awareness about the urgent need to eliminate poverty globally. However, recent crises, including the pandemic and the war in Ukraine, have intensified the challenges. Oxfam warns that the war in Ukraine could push over a quarter-billion people into extreme poverty due to a surge in global food prices. This threatens to undo two decades of progress, with an estimated 263 million individuals at risk of extreme poverty this year.

The war in Europe has led to soaring global food prices, impacting the poorest nations the hardest. Low-income countries are at risk of defaulting on their debts, which could force them to cut public spending on essentials like food and fuel. The United Nations estimates that these countries will pay \$43 billion in debt repayments this year, money that could otherwise cover their food imports. As a result, the poorest populations, particularly in least developed countries heavily reliant on primary commodity exports, face an uphill battle in achieving economic development.

The agricultural sector is critical to addressing poverty, as it serves as the primary economic driver for 80% of the world's poor. However, smallholder farmers, who make up a significant portion of the impoverished population, face tremendous challenges. They spend a large portion of their income on food, unlike their counterparts in developed countries. Transformative global change is needed to make farming economically viable for smallholders and uplift their livelihoods.

To combat poverty effectively, it is crucial to prioritize the most vulnerable groups, including women, girls, indigenous people, and the youth. The theme for this year's International Day for the Eradication of Poverty, "Dignity for all in practice," emphasizes the multidimensional nature of poverty and the importance of preserving human dignity. Addressing poverty requires a comprehensive approach, involving governments and society as a whole, to increase investments, protect rights, empower individuals, and foster solidarity.

DIGNITY FOR ALL

"Dignity for all in practice" is the umbrella theme of the International Day for the Eradication of Poverty 2022-2023. The dignity of the human being is not only a fundamental right in itself but constitutes the basis of all other fundamental rights. The 1948 Universal Declaration of Human Rights enshrined human dignity in its preamble:

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,...

"Dignity" is not a vague concept; it applies to each and every person. Regrettably, many people enduring persistent poverty face disrespect and the denial of their dignity. This is particularly evident in the case of smallholder farmers who continue to live in impoverished conditions. The treatment of individuals living in poverty serves as a measure of how societies uphold the value of human dignity. In order to live a life of dignity, personal agency is crucial, enabling individuals to make informed choices and meaningfully participate in decision-making processes that impact their lives.

POVERTY AND COMMODITY DEPENDENCE

The UNCTAD report highlights the connection between extreme poverty and commodity dependence, constituting an international poverty trap. It challenges the notion that trade liberalization alone can alleviate poverty, emphasizing the importance of trade integration and export specialization. Many commodity-dependent developing countries primarily export raw commodities, leading to minimal returns compared to importing countries. Serious research is needed to find ways for these countries to break free from their trap of commodity dependence.

Globally, there are approximately 500 million smallholder households, representing over two billion vulnerable individuals who face the volatility of commodity prices. The struggles of smallholders persist regardless of whether prices rise or fall, making their livelihoods precarious. Despite discussions about sustainability, the world's heavy dependence on commodities has increased. UNCTAD's report reveals that the number of commodity-dependent countries rose from 93 to 101 between 2008-2009 and 2018-2019.

Commodity dependence exposes countries to negative economic shocks, impacting export and fiscal revenues and hindering economic development. The root of this dependence lies in the powerlessness of smallholders within the value chain. They often lack control and dignity, [acting as price takers while others profit](#). Smallholders endure financial losses even when commodity prices rise. Their plight reflects a significant blind spot in the marketplace that must be addressed.

Joining the discussion on commodity dependence and poverty is crucial. By exploring investment models and understanding the struggles of smallholders at the beginning of the value chain, we can work towards liberating them from poverty and reducing their dependency on commodities. This webinar serves as an opportunity to initiate a debate on creating more sustainable food value chains and connecting conscious consumers with hardworking commodity producers. The goal is to build a world where poverty is not defined by one's geographic location alone.

ENHANCING DIGNITY THROUGH REVISITING THE COMMODITY VALUE CHAINS

Integrated programmes that focus on the commodity value chains have shown promising results in promoting dignity and eradicating poverty. One such example is the [LIFT programme](#), a sustainability initiative in the coffee value chain led by the CFC (Common Fund for Commodities) and the Mercon Coffee Group. LIFT operates on three pillars: Profit, Planet, and People, aiming to support farmers in growing high-quality coffee while ensuring their livelihoods and the environment benefit from these activities. Through the LIFT Index, farmers are assessed based on 18 practices, with a focus on eliminating child labour, discrimination, and promoting fair labour conditions. The programme has already made a positive impact, with participating farmers experiencing increased annual coffee income and the opportunity to surpass the living income benchmark.

CFC's commitment to closing the poverty gap extends to its efforts in empowering marginalized communities in its 101 member countries. By identifying those who are left behind and understanding the underlying causes of poverty, collective intelligence and co-creation of solutions are utilized. The

story of [empowering women in the macadamia nut business](#) exemplifies CFC's dedication to enabling farmers, particularly women, to improve their incomes and build resilient livelihoods. Additionally, the CFC Executive Board has recommended ten investments aimed at supporting agri-businesses and benefiting over 71,000 farmers, enhancing their incomes, nutrition, and ensuring environmental sustainability.

The programmes and investments of CFC emphasize the importance of putting people at the center of development. By promoting sustainable development within planetary boundaries, these initiatives aim to create a world where commodities work for both producers and consumers, fostering prosperity, peace, and dignity for all.

CONCLUSION

In order to address the urgent challenges we face, such as poverty eradication, it is crucial for governments and communities to act swiftly and "build forward better and smarter" while upholding dignity. To quote Nelson Mandela: *"Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom."*

With limited time remaining until 2030, it is imperative that we work tirelessly to ensure that no one is left behind. Development with dignity means creating a society where every individual can lead a decent, rewarding life in a safe and healthy environment.

On 17 October, an online global commemoration event will feature testimonies from those living in poverty, as well as a key note speech from an activist and exchanges with other international actors. These will show that "dignity" is not an abstract concept: it belongs to each and every one. The solutions are therefore closely linked, and their implementation requires the mobilization of all sectors of society through localizing the development.

Join the discussion and show your solidarity in the efforts to end poverty, protect the planet and ensure dignity and prosperity for all, including smallholders. For more information about the Day, follow and engage with @CFC at LinkedIn, Facebook, and the [CFC website](#).