

Ending Poverty by 2030: The central role of goal 8 and 9 of the Agenda 2030

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Outline of the Presentation

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Introduction



- The agenda 2030 is a plan of action for the prosperity of the planet and people in it.
- Consist of 17 goals and 169 targets
- The goals and targets to a large extent explain the characteristics of currently poor countries, except for few.
- And therefore agenda 2030 is about eradication of poverty.
- Eradication of poverty requires proper indicators to measure and monitor it: if you cannot measure, you cannot influence it.

Introduction cont..



- There are various forms and definitions of poverty (economic and non economic; absolute and relative forms) but here we use economic definition of poverty – minimum income of a person.
- Not for its own sake, but because it has influence on other non economic forms of poverty.
- Money is not every thing, but used wisely it is most of the things.
 - Economically empowered people can access good education, health services, adequate food and shelter voice to speak, etc.
 - Richer countries are more equal and peaceful than poorer ones.

Strategic actions to alleviate poverty: the central role of goal 8 and 9 of the SDGs



- Poverty is largely about income, and income of countries and individuals in the country increase because of growth and productive employment of most, if not all the people in the country (*goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*).
- Achieving poverty alleviation therefore requires 3 important things or conditions to fulfill (Osmani 2003):
 - i) Sustainable growth (a necessary, but not sufficient condition)

3 conditions for poverty eradication cont..

ii) Growth must enhance employment potential

iii) This employment potential must include majority of the people, including the poorest (inclusive growth, inclusive development, etc.)

- So what sectors to focus on?

- The manufacturing sector: it is critical for employment generation (*goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*)

- The industrial sector consists of 3 major sub-sectors: manufacturing, mining and construction

Sectors of focus cont..

- But more important sector is the manufacturing:
 - overall observations by many scholars and practitioners ,have revealed the critical importance of the manufacturing sector in growth and development because of its potential for employment and its unique multiplier effect.
 - Apart from its own huge potential for employment generation, the development of the manufacturing sector stimulates demand for more and better services including banking, insurance, communication and transport, which leads to further job creation.

Sectors of focus cont..

- The growth of the manufacturing however, presupposes growth of the agricultural sector – structural transformation process.
- Extensive literature on structural transformation indicate that there would first be growth in agricultural productivity with falling share of employment, giving way to rise of the manufacturing sector in terms of share of employment and contribution to GDP.
- Along this process is usually a radical fall in poverty – case of Malaysia indicative.

Strategic actions

- Resources for implementation of SDGs in Tz largely be focused on achievement of goal 8 and 9.
- **In the short term:**
 - Increase agricultural productivity, while at the same time opening avenues for the non-farm activities in the rural areas, especially in agro-processing.
 - Enhance innovation in both sectors:
 - build agro-industrial innovation system by strengthening agricultural R&D and linkage with farmers; enhance marketing of agricultural products, including linkage between farmers and agro processors;



Strategic actions cont...

- Provide finance; build capabilities for agro processing (entrepreneurs, technology, markets and skills).
- Encourage mineral processing – provide incentive for value adding to minerals rather than raw export or very little value added. FDI can be instrumental here.
- Develop innovative clusters that also include local companies around mining sites (including, mining, processing, associated metal sector, and other support organization).
- **In the medium term**
 - The same can be done for the gas and oil sectors that are emerging; and new pharmaceuticals.



Strategic actions cont...



- **In the long term**

- Move towards a more diversified, sophisticated and internationally competitive national manufacturing sector.

- In all the terms, it important to build both knowledge and physical infrastructure; promoting, science, technology and innovation:

- Poverty alleviation is basically a process of building capabilities of very diverse nature, but above all is innovation capabilities:

- The difference in income levels across countries comes basically from differences in capabilities to produce and market internationally competitive goods for prolonged period of time (Lee and Mathews 2013).

Challenges

- Building innovation capabilities is very challenging: being systemic, innovation requires coordinating policies of very diverse nature: agricultural policies must be very well coordinated with the industrial policy for effective structural transformation.
 - science, technology and innovation policies must be coordinated with the industrial, investments, trade, and education policies
- Policy coordination require effective governance of the system.
- Building innovation capabilities require continuous follow up and evaluation of the performance of the system, which require special expertise, which the country to a large extent currently lack.

Some recommendations

- Basically targeted at addressing the mentioned challenges towards strategic actions:
 - Endeavor to coordinate Science, technology and innovation policies with education, industrial, agricultural, trade and investment policies, including FDI.
 - Establish a high level and effective body that should govern the national system of innovation.
 - Endeavour to build national expertise on innovation studies, and monitoring and evaluation of the performance of the national systems of innovation:
 - The Government should take decisions on the basis of adequate information , coherently presented and well argued.

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