Madam Chair,

My Delegation wishes to associate ourselves with the statement delivered by Fiji, on behalf of the Group of 77 and China.

I would like to begin by thanking the Secretary-General for his reports on this agenda item. These reports clearly examine the progress and challenges to poverty eradication and discuss policy priorities. We welcome the reports focused on unemployment, inequality and climate change.

Eradication of poverty remains the overarching goal for development, as it is a precondition to all other development goals. Despite the initial success towards achieving MDG 1, on reducing extreme poverty rates by half, which was met five years ahead of the 2015 deadline, more than 1.2 billion people still live on less than $1.25 a day, most of them in sub-Saharan Africa and South Asia.

Madam Chair,

The Maldives has accomplished five out of eight MDGs with eradication of poverty being one of the five. Using the international poverty line of $1.25 per day, poverty rates plunged from above 25% to 8% between 2000 and 2010. Per capita income has increased dramatically from USD 271 in 1980 to USD 6,405 in 2011. The robust growth thus experienced has gone a long way in addressing the poverty situation in the country.

However, the Maldives continues to suffer from disadvantages that are associated with small island economies. A narrow economic base, geographical remoteness, a lack of scale economy, vulnerability to exogenous shocks and environmental fragility are still relevant features of the Maldivian economy. The unique geographical nature of the Maldives is undoubtedly one of the biggest challenges that stand in the way of accomplishing its MDGs, particularly as the Maldives is a resource poor nation. Furthermore the rising cost of living has resulted in a decrease of real income. The main source of income to the country comes from tourism and fisheries, both industries highly subjected to external factors. Fisheries and agriculture sector in the Maldives is on the decline, and unless urgent and immediate action is taken, there is imminent danger that the development strides the country achieved in the past may be lost.

Madam Chair,

The Secretary-General’s report outlines the serious threats climate change poses to poverty reduction. The Maldives has always been a strong advocate with regards to climate change and the ever-growing threat it poses. The Maldives’ unique geographical nature and economic dependence
on coral reefs and seas make it acutely vulnerable to the effects of climate change. Increased frequency of extreme weather events and erratic weather patterns can eliminate the development progress in a matter of seconds. The need to divert resources from productive investments to efforts to protect valuable coastal property from erosion significantly hinders the development aspirations of the Maldives. These ecosystem losses are increasingly constraining the livelihoods for poor people. Therefore, we cannot achieve poverty eradication without tackling climate change.

Madam Chair,

The over dependence on one economic sector like tourism which accounts for 30% of our GDP and over reliance on imports, for both goods and services, continues to be major challenges for sustainable development. Shares of the country’s imports for essential goods such as food, fuel and basic consumables account for over 50% of the GDP, contributing towards persistent balance of payments issues, particularly in the last few years following the global financial crisis in 2008-2009. Access to both donor and private finance is a concern that has impeded development opportunities and the national ability to harness our potential for realizing long term sustainable development. Being a small-scale economy, opportunities are limited for the Maldives to integrate its economy into global value chains and to enjoy long lasting and meaningful benefits from the multi-lateral trading environment. In this regard, support is required to diversify our economic base, improve industry competitiveness, ensure inclusive growth and make economic activities both green and resilient.

High unemployment and creating jobs for the youth population have emerged as major challenges for sustainable and inclusive growth. Employment and decent work are key drivers of poverty reduction. As part of government’s overall economic reform program to address growing unemployment issues and a lack of diversity in economic activities, the government has also initiated a nationwide Micro, Small and Medium Enterprise (MSME) Development Program targeted mainly towards the outer islands. The program facilitates concessional loans to MSMEs, women and youth, and is expected to boost and nurture entrepreneurial abilities and the productivity of the Maldivian labor force.

To achieve sustainable development, the participation of women in all aspects of development, and society is of paramount importance. Without women’s equal and full participation, poverty eradication will be impossible. The Household Income and Expenditure Survey of the Maldives 2009-2010 found that the unemployment rate for women is nearly double that of men. This is especially alarming considering that a large number of households in Maldives are headed by women, owing to high divorce rates. To counter the negative impacts of single parent families and to reduce the poverty rates for women in Maldives, the government has introduced a financial assistance package for single mothers and gives special consideration for women applying for Micro, Small and Medium Enterprise Development Program.

Madam Chair,

As outlined before, Maldives has eradicated extreme poverty, in terms of the indicators related to the international poverty lines and calorific deficiency in terms of food intake of the whole population. However, significant disparities emerge, when these indicators are analyzed at the sub-national level and in terms of gender, region and age. While absolute poverty is decreasing, relative poverty and income disparities are increasing. The universally accepted poverty line of $ 1.25 per day does not accurately reflect the large concentration of people, who in spite of living on a little more than the $ 1.25 remain extremely poor compared to the accumulation of wealth within a small sector of society. Inequality is the new poor! These new issues have resulted in creating a new class of urban poor, who are not sufficiently represented in the global indicators. Thus the new global
agenda for development must include poverty indicators that measure poverty in relative terms in addition to absolute terms. It must address new challenges such as urban poor and slum dwellers.

Madam Chair,

It is our global responsibility to leave a world that is better off than the one that we inherited. We have a global responsibility to protect the most vulnerable in our societies and ensure that each individual has a basic standard of living. Now is the time to accelerate our efforts, and move forward at a faster pace.

Thank you, Madam Chair.