

AJAY CHHIBBER

The impressive rise of South

This year's UN Human Development Report is simply titled "The Rise of the South". It illustrates the immense power of a bloc of countries whose economic prowess is now chiefly responsible for propelling the world economic engine.

China, India and Brazil are the big players, but represented in that South bloc are 40 developing countries whose growth has been an antidote to the economic malaise infecting the developed North.

This tectonic shift in the South's economic power has led to millions of people being lifted out of poverty; millions more have been buoyed into the middle class. "The South as a whole is driving global economic growth and societal change for the first time in centuries," the UN report emphasizes.

But that surging economic tide in the South is not matched by a similar realignment in political power, a realignment whose time may well have passed its due date.

The facts and figures furnished in the 2013 Human Development Report make a compelling case. It estimates that "by 2030 today's developing countries will be home to four-fifths of the world's middle class, with the great majority in Asia."

Though their counterparts in the industrialized North have higher incomes and better standards of living, the middle class in the South — with its rising education levels and unprecedented access to information — is demanding greater effectiveness and responsiveness from local and global institutions, says the report.

If we heed to those demands, it will help

meet the goals of eradicating poverty, spreading democracy, preventing conflicts and sustaining the environment.

The report projects that by 2020 "the combined output of three of the leading developing economies — China, India and Brazil — will surpass the aggregate production of Canada, France, Germany, Italy, the United Kingdom and the United States."

South-South trade itself has risen dramatically, "from less than 10 percent to more than 25 percent of world trade in the past 30 years". The rising trade volume between China and India, and sub-Saharan Africa is a case in point.

If this historic global shift is recognized and reflected by international institutions, it will make them more representative and reshape the world as we know it.

This argument is discharged by the report. "China, with the world's second largest economy and the biggest foreign exchange reserves, has but a 3.3 percent share in the World Bank, less than France's 4.3 percent."

"India, which will soon surpass China as the world's most populous country, does not have a permanent seat on the UN Security Council. And Africa with a billion people in 54 sovereign nations, is underrepresented in almost all international institutions."

The report also says that there are alternatives to the Washington Consensus — policy prescriptions that adhere to a market-based approach — as a way to bring about effective human development.

Turkey, Brazil, Indonesia, China and Bangladesh among others have made impressive gains in human development by conceiving innovative social policies tailored to fit their peoples. And cash transfer programs in Mexico, Brazil and India have helped narrow income gaps and improve health and education in poor communities.

While the North can gain much from these diverse approaches, the report acknowledges that human development is a symbiotic process. While the North learns from the South, the South too has much to gain from the knowledge and expertise of the North. If global institutions become more representative, they could facilitate a better and faster exchange of ideas, innovations and solutions.

Centuries ago adventurers, explorers and nations came seeking the South, to countries such as China, India and Brazil. From Marco Polo to Alexander the Great, from the Spanish to the British to the French and the Portuguese, they came drawn by gold, spices and silk, as well as by the mystique of these nations.

Now as time comes full circle and countries beat a new path to the rising South, it may serve the world well if trading partners are also better political partners.

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PANG LI / CHINA DAILY

ROGERIO STUDART

Brazil shows how to fight poverty

More than 20 percent people on Earth live in extreme poverty and are enduring inhuman sufferings, according to the World Bank. Combating extreme poverty is the aim of the entire development community, and the same goal has been embraced by many World Bank presidents.

The World Bank's new president, Jim Yong Kim, has spoken of the need to "bend the arc of history in order to eliminate extreme poverty and achieve shared prosperity". At a time when the World Bank's resources and the budgetary resources of governments around the world are more limited than Kim might wish for, Brazil offers important lessons on how to eliminate extreme poverty and reduce inequality.

Perhaps the biggest lesson to be learned from Brazil is that poverty can be reduced in a very cost-effective way, that is, if the programs pursued are targeted well.

My home country (Brazil) has long been known for having one of the most unequal income distributions on the planet. And it has often been cast as a "country of the future", a place where the poor rarely saw the benefits of industrialization and economic growth. This changed when Lula da Silva was elected president in 2002. He ran on a platform not only to boost social and economic inclusion, and fight poverty and inequality, but also to achieve that goal within a single generation.

Building on the economic basis established under his predecessor, Fernando Henrique Cardoso, Lula's strategy was not at all aimed at doing the typical politician's thing — to spend more on social programs. Instead, as a man who had experienced poverty firsthand, he made the fight against poverty and inequality the central organizing principle of his entire presidency. In fact, all other government policymaking areas were of secondary importance, in the sense that they had to support his main policy plank.

Initially, the financial markets did not welcome Lula's program. They were worried that his commitment to what they perceived as a utopia would make him implement irresponsible, populist, and unsus-

tainable policies. They were wrong.

There were plenty of doubters within Brazil as well. They were convinced that, after 500 years of exclusion and inequality in Brazil, bending the arc of history would certainly take far more than a single generation. They, too, were wrong.

By the end of Lula's two terms as president, Brazil's results were already impressive. Income inequality, measured by the Gini coefficient, had declined from 0.553 in 2002 to 0.500 in 2011. Household per capita income had increased by 27 percent from 2003 to 2011. And the unemployment rate had fallen from 9.1 percent in 2002 to 6.8 percent in 2011.

When President Dilma Rousseff, Lula's former chief of staff, was elected as Lula's successor, she upped the ante, running on a platform to eliminate extreme poverty not in a generation, but in just five years.

The world of politics is full of skepticism, if not cynicism. Considering the lofty speeches by endless number of politicians (usually without ever intending to meet them or coming close to meeting them), there is good reason for doubt. And yet, in Brazil's case, the target of eliminating extreme poverty is surprisingly close to being achieved. The reform agenda's cornerstone was a determined expansion of the social protection programs by ensuring that all poor households in the country were reached.

The two key programs are Bolsa Família (a conditional cash transfer program that aims at raising the income of the poorest families while promoting health and education among them) and Brasil sem Miséria (an extension of Bolsa Família that targets people living in extreme poverty, with provisions for including them in the productive sector and giving them access to public services). The per capita transfer at present is 70 Brazilian real (\$35) a month.

The two programs now cover all Brazilians listed in the national database that is used to manage and monitor the country's social programs. About 700,000 people, however, do not receive payment from either of the support programs and are still living under the poverty line, because they have not been included in the registry (Brazil is a continent-

sized nation, with an area of 8.5 million square kilometers, and some of the extreme poor live in isolated areas).

When it comes to development challenges, most people believe that despite being a moral obligation, poverty alleviation is an expensive proposition and, even if started successfully, it may not be sustainable financially. Brazil's case shows it need not be so.

The cost of Bolsa Família has been extremely low. In 2012, the program cost the Brazilian government less than 1 percent of its budget.

On the social front, the results are remarkable. While much more needs to be done, Brazil has seen a marked decline in violence and an increase in political activism and cultural movements. In many urban areas, ambitious programs have been launched to "pacify" areas previously associated with drug trafficking and violence.

A key part of the improved environment is that the urban poor now have a sense of destiny and direction. They welcome the government's focus on investment in families' future, especially the focus on the young and their education.

There is now a quiet confidence in the eyes of young children living in favelas (shanty towns). Without knowing it, they can sense that their government is giving them a true head start.

The real fruits to be harvested from the Bolsa Família may still be a generation away. But in Brazil you have a rigorously implemented social program that has nothing to do with consumption and the usual instant-gratification handouts, which too many politicians over the world — and not just in poor countries — like to specialize in.

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LETTERS

Seek doctor's help

Comment on "Sleep issues still ignored in China: Report" (China Daily, March 20)

Before reading the article, I didn't know that March 21 is observed as World Sleep Day. What the 2013 China Sleep Quality Index, issued by the Chinese Medical Doctors Association, says is not strange to me. Just as the report says, many Chinese people have sleep problems, some of which are even very serious. Common people, however, fail to pay necessary attention to them because of several reasons.

As a 25-year-old man, I am supposed to be healthy and energetic. I am indeed energetic and healthy, except that I have been suffering from insomnia for the past few years. It started when I was a teenager and used to study late into the night and felt nervous about upcoming exams. After I began work, the situation became more serious.

I tried very hard to avoid taking sleeping pills because it's not good for health. But it's a really terrible feeling when you cannot sleep at night. People who have not suffered from such a condition can hardly imagine what it is like.

There are many young people like me who have sleep problems. But when we talk about insomnia, many people don't regard it as a serious problem, let alone a medical condition. The more they ignore it, the more they suffer.

Since society is becoming increasingly competitive and people are under greater pressure, it's time we paid proper attention to this problem and took better care of our health. And the first thing people who have sleep problems should do is to seek a doctor's help.

HAN YANG, via e-mail

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FROM THE CHINESE PRESS

Dream calls for united effort

The new Chinese leadership has pledged to rely on the strength of the people to realize the Chinese Dream. It has also pledged to listen to the voices of the people and help them build a better life. Since the Chinese Dream is the dream of the people, the well-being, determination and efforts of the people will play the leading role in realizing the dream of the great rejuvenation of the Chinese nation, says an article in People's Daily. Excerpts:

Socialism with Chinese characteristics means eliminating poverty and achieving common prosperity. In line with the strategic thinking that development is of overriding importance, China has for decades adhered to the central task of developing the economy while, at the same time, making great efforts to improve people's livelihood.

The Chinese leadership has been listening to the voices of the people and taking measures to meet their expectations. It will continue to do so because that will help take forward the cause of socialism with Chinese characteristics.

The Chinese Dream of national strength and prosperity and people's happiness is the dream of the nation as well as of every member of society, which represents people's quest for fairness and justice.

To guarantee fairness and justice, China has to give all members of society equal access to public services, especially education and healthcare, boost employment, gradually improve the social security system and guarantee that all the people enjoy the right to equal participation in social affairs and the country's development. The Chinese Dream, after all, is the dream of the people, who expect to see an improvement in the livelihood and hope to live a more prosperous life.

In recent years, Chinese people have seen a dramatic rise in their quality of life thanks to the continued growth in the incomes of both urban and rural residents, the establishment of a basic social security system and other measures taken by the government to ensure that people enjoy the right to free compulsory education, employment, and medical and old-age care. Besides, the central government has raised the income tax threshold and local governments have increased the minimum wage level to narrow the widening wealth gap.

The realization of the Chinese Dream rests on the improvement of people's livelihood, which is a task easier said than done considering the country's fundamental realities, such as the large population and the urban-rural imbalance.

To realize the dream of the great rejuvenation of the Chinese nation, we need to put in hard work and practice frugality. The government, on its part, has to speed up national development while seeking common progress for all, and unite the strength of individuals into one to achieve common prosperity.

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