

Poverty is private sector's business



Dr Bruce Jenks encourages the private sector to do what it does best ? business. Photo: *Penny Stephens*

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BLAME greed on Wall Street, worry about the impact on Main Street — but don't forget the countries with no streets.

Bruce Jenks, a top United Nations aid official, will deliver this stark reminder to Melbourne business leaders today, yet he is not chasing corporate hand-outs for the world's poor.

"What we are saying is do business, be business — but do it in a way that brings the poor into economic activity," he says.

"Adapt your business, adopt innovations in products and business processes to engage the poor. The fundamental point is for businesses to get excited about the opportunities."

Openly courting private investment to reduce poverty marks a major shift in the development ethos from past years, when the private sector was often blamed for the problems. But the UN recently launched an initiative to partner business with official aid agencies and the World Economic Forum, among others, to work towards development goals.

Dr Jenks, assistant secretary-general of the UN Development Program, has spoken to Federal Government officials in Canberra this week and says he is optimistic Australia will soon join the initiative. About 60 companies have signed on so far, including Vodafone and Ericsson, and Dr Jenks says he expects local companies will also come on board at today's Business for Millennium Development summit in Melbourne.

Dr Jenks and Foreign Minister Stephen Smith will launch the summit, which will discuss opportunities for Australian business to deal with poor neighbours and advance the so-called Millennium Development Goals — the eight targets for poverty alleviation approved in 2000 by world leaders in New York.

The aims include eradicating extreme poverty, achieving universal primary education, and cutting HIV/AIDS infection rates by 2015. "When you focus on goals, and get serious about how you can achieve those goals, the private sector comes into its own," Dr Jenks says.

Financial turmoil over the past month has prompted fears that rich governments — under pressure at home — will abandon pledges to the world's poor.

"History tells us in recessionary times societies become introverted, they tend to turn away and become protectionist, and focused on solving internal problems," Dr Jenks says.

"It's understandable, but in the kind of globalised world we live in today we cannot afford to simply turn our backs on 3 billion people."

He cites health care as an especially vulnerable area, but also a chance for the private sector to enhance people's quality of life. In poor countries, private funds account for 60% of all health spending — a stark contrast with public money in rich countries that props up about 70% of health services.

"We can have a debate until the cows come home about the merits of public and private health care, but it doesn't alter the fact we don't have the option of transferring everything into a public health system — that's a massively expensive proposition," Dr Jenks says.

"So we have to support and encourage the private sector to find new ways to provide those services in such a way that the private can be the private sector — that is, make a business of it."