

**Written Statement at the Workshop on Promoting and protecting
economic, social and cultural rights within the context of addressing
inequalities in the recovery from the COVID-19 pandemic**

Measurement and elimination of global poverty and inequalities

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7 February 2023

Organized by the Office of the United Nations High Commissioner for Human Rights (OHCHR)

Human Rights Council Resolution 49/19 clearly recognises the severe effects that the COVID-19 pandemic has in exacerbating existing inequalities, the increase of global poverty and the disproportional burden that vulnerable and marginalized communities are suffering. It also calls for enhanced international solidarity in the COVID-19 response and recovery, including joint and concerted responses and recovery efforts that are people-centred, gender-sensitive, inclusive and with full respect for human rights.

For this session, we have the challenging task of discussing how we traditionally measure poverty, and what is necessary to better align this measurement with the drastic effects of poverty in real life, beyond measurements and numbers, and consider its effects on an adequate standard of living and for the full enjoyment of human rights.

I would like to consider three important points. The first one relates to the outcomes that the international community achieved in the fight against poverty in the years previous to the COVID-19 pandemic. The second one relates to the detrimental effects that the COVID-19 pandemic has with respect to such efforts, and what is the current scenario for poverty reduction. And finally, I would like to consider the need for rethinking the relationship between poverty and human rights through the evolution of the understanding of poverty as a multidimensional construct, rather than limited to monetary deprivations.

1.- The efforts on poverty alleviation before COVID-19

The study of poverty has had a long history. For many years, efforts were focused on trying to measure and quantify poverty for the purpose of understanding the magnitude of poor people in the population. This gave rise to the monetary approach to poverty, which has focused on average income and consumption of the poor with the measurement of extreme poverty based on economic hardship and deprivation of basic needs. This kind of analysis emphasises the physical hardships caused by the lack of monetary resources and consumption.

In 1990, the World Bank established the famous benchmark of income or consumption of US\$1 a day as the international extreme poverty line. This threshold was based on the monetary resources required to cover the needs for food (including water), shelter, and clothing in low-income countries. As much of the population suffering from extreme poverty is in the countryside without a regular income, it included consumption at purchasing power parity (PPP) level of one dollar a day. This poverty line has undergone several updates since then, including in 2005, 2008 and 2015. While taking into consideration the factor of inflation, it has stayed constant over the years to allow comparisons and observations of the trends of development. The \$1.90 per day threshold used in the SDGs is based on PPP calculations and represents the international equivalent of what \$1.90 could buy in the USA in 2011. In 2017, the World Bank decided to update this poverty line to \$2.15 in line with the purchasing power parities of low-income countries between 2011 and 2017.

The last decades on the 20th century demonstrated a significant global movement towards enabling the fulfilment of all human rights. These efforts were accompanied by the increasing efforts of the international community towards achieving sustainable economic growth and human rights, especially in the context of poverty alleviation and eradication. The Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs) are important milestones in the effort of the international community to set common goals to eradicate poverty and promote sustainable development and provided an important international framework for countries to tackle a number of social and economic challenges.

This was clear, as the first goal of the MDGs on poverty was reached well in advance of the 2015 deadline, as the extreme poverty rate dropped an average of a percentage point per year from 36% to 10% (according to the World Bank). Nevertheless, the rate has slowed down since 2015, reaching 8.6% in 2018. For this reason, renewed commitments were established under

the SDGs, including ending poverty in all its forms everywhere. Extreme poverty under this target is measured as people living on less than \$1.25 a day.

Nevertheless, this goal was far from being achieved even before the pandemic struck the world at the end of 2019. The World Bank pointed out that many countries have not been on track to end poverty, while some may even have an increase of poverty. Poverty reduction from 1990 to 2015 averaged one percentage point per year, but the poverty reduction rate was predicted to slow to less than half a percentage point per year between 2015 and 2030, before the pandemic. Around the world, 736 million people still live below the international poverty line of US\$1.90 a day, and up to 42% of the population in Sub-Saharan Africa will continue to live below the poverty line.

2.- The detrimental effects of the COVID-19 pandemic in poverty reduction

The World Bank estimated that COVID-19 pandemic pushed an additional 88 million to 115 million people into extreme poverty in 2020, with the total rising to as many as 150 million by 2021. Current externalities, including geopolitical tensions, climate change induced natural disasters, and food scarcity have all constituted headwinds to poverty alleviation efforts all around the world.

These overlapping crises have left lasting scars on the world economy, especially for developing countries. The continuity of such effects has limited resilience of vulnerable economies in face of external shocks, and are a direct threat to vulnerable societies and people in most developing countries. Similarly, it has major limitations with respect to the achievement of the 2030 Agenda for Sustainable Development which relies on the protection of people, the planet, prosperity, peace, and the promotion of partnerships. Eradicating poverty and ensuring that human beings can fulfil their full potential with dignity are the highest priorities.

In order to fully achieve Agenda 2030, there is a need to implement its 17 goals and 169 targets in their entirety in a holistic manner, instead of segregating and cherry-picking the goals. This is even more relevant if we consider the relationship between strategies directed to eradicating poverty and human rights.

Although a slight improvement on poverty reduction was evidenced during the year 2021 and 2022, a full recovery to the pre-pandemic trend of poverty reduction will take years. The COVID-19 pandemic has accentuated the lack of access of poor households to health services, water and sanitation, as well as access to digital information and technology. Layoffs and

redundancies related to COVID-19 measures will increase the number of people falling into extreme poverty and hardening the possibility of climbing-out of the poverty trap and falling back to poverty.

Given this scenario, the fights against poverty have become one of the major challenges for the international community. Part of this challenge is to understand that the effects of the COVID-19 pandemic are not only related to the economic downturn that the world is currently facing, but that its effects hindered the achievement of the Sustainable Development Goals, and the fight against poverty.

3.- Poverty as a multidimensional construct and means of measurement

As the understanding of the problems arising from poverty deepens, the narrowness of the monetary approach has been increasingly realized. The negative consequences of poverty, including social conditions and deprivations caused by poverty, go far beyond income and resources, but affects peoples' capabilities including the enjoyment of social and cultural life.

The United Nations considered that poverty should be considered as *“a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services”*. Similarly, the Committee on Economic, Social and Cultural Rights defined poverty *“as a human condition characterized by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living”*.

Both of these definitions constitute an endorsement of a multi-dimensional approach to poverty, and have been reaffirmed by the 2030 Agenda, calling upon countries and the international community to end poverty in all its forms and dimensions. Nonetheless, the measurement of multidimensional poverty is more complex and covers the overall well-being of people. A report prepared by the Commission on the Measurement of Economic Performance and Social Progress in 2009 provided a more comprehensive measurement of an “adequate standard of living” and also described how it could be attained and sustained beyond a single generation.

The report advocates that the concept of ‘adequate standard of living’ would require a four-tier based approach considering a: subjective approach (focused on the people), an objective approach (linked to inequalities in human conditions), a non-monetary approach

(multidimensional nature), and an intergenerational dimension of an adequate standard of living.

Therefore, a conceptual approach to multidimensional poverty offers different methodologies to measure social progress outside of the traditional purview of economic performance of States based on their gross domestic product (GDP) and income levels. Such conceptual approach emphasizes on recognizing the different inequalities of human conditions, including the need to guarantee certain functions and capabilities that allow individuals to pursue and realize the goals that they value and pursue. The multidimensional construct of poverty will analyse the quality of life and considers a variety of factors without any hierarchy. The focus of this approach is to consider various non-monetary dimensions of ‘quality of life’, respecting people’s preferences but not an “average” willingness to pay.

Instead, this measurement will focus on the equality among the members of a community and the necessary arrangements and systems that guarantee the enjoyment of an adequate standard of living not only for the current generation, but one that consistently seeks the improvement of such standard for future generations. A causal link emerges between these measurements and human rights in the need for improving the social and individual circumstances of the population through social and public policies that will vary according to the real needs of each community. For example, guaranteeing public health would require making provisions for adequate potable water and sewage management, and even the requirement of healthy food.

In this example, the improvement of health will produce a decrease in medical expenditure for both the state and families. In such cases, the multidimensional concept of poverty will not consider family income as the basis for eradicating poverty. Instead, it seeks the provision of options for the fulfilment of their rights. In these cases, poverty eradication policies are not seen as extra cash in hand for the poor but rather as the public provisioning of common goods.

Poverty must be measured beyond the fulfilment of basic needs or of the attainment of income that surpasses the current poverty line set at \$1.90 per day. A multidimensional approach to poverty will emphasise on the need to attain the well-being of the all the people. The United Nations Development Programme (UNDP) and the Oxford Poverty & Human Development Initiative have developed the Global Multidimensional Poverty Index and databases include access to medical care, education and infrastructure as means part of this calculations.

The current international context and how to tackle the inequalities

No doubt COVID-19 has also shown us the inequalities among countries. Many developing countries in particular from Africa, couldn't access essential medical technologies and vaccines timely. Further, the international community should not lose sight of the fact that the climate crisis is exacerbating inequalities between developed and developing countries. Developing countries are expending important resources to deal with climate change impacts because of a problem which has not been created by them. According to the United Nations Framework Convention on Climate Change (UNFCCC), developed countries should provide funding to developing countries to deal with adaptation and mitigation (and now also loss and damage). However, most of the financial support come as loans, not grants, leading developing countries into more debt distress, and weakening their economies. Many poor countries in the Global South have to devote scarce resources to deal with mitigation and adaptation challenges even when they have other priorities, as the United Nations (UN) Convention on Climate Change and the Paris Agreement assert.

It is also worth mentioning that a fair international tax reform inside the UN system, not at the Organisation for Economic Co-operation and Development (OECD), should promote that the multinational digital corporations pay fair taxes to those source countries where the wealth is made. This could be an important message to the international community in the search for alternatives for poverty alleviation.

Conclusion

The international community was on the right path towards achieving poverty alleviation before 2015. Nevertheless, the rate has slowed down since 2015, reaching 8.6% in 2018, and has drastically reduced when the pandemic struck the world at the end of 2019.

The strategies towards poverty eradication and sustainable development would remain contingent on the specific national and social conditions of each country, but it is also important that the international community provides an international economic environment to help developing countries' efforts to deal with poverty.

A conception of development and poverty eradication based on the 2030 Agenda should go "beyond the accumulation of wealth and the growth of gross national product and other income-related variables"; it should focus on social investment towards the reduction of vulnerabilities in order to provide equal opportunities for all.

Development actors should consider public expenditure on public goods as investments to address systemic deprivation of substantive opportunities for people living in poverty and integrating social assistance programs linked to increasing human capital and social inclusion.

From a conceptual perspective, there is a need to consider the measurement of poverty not only as an economic construct of economic deprivations, but a process towards guaranteeing human dignity, and consequently towards raising living standards and strengthening the capacity of those deprived and poor to escape the poverty trap and improve their position and wellbeing.

Measuring poverty must take into account the right to health, nutrition, housing and education, but also consider current needs, including climate preparedness and adaption strategies of communities and populations, and real access to energy and technology. The South Centre has prepared a couple of new papers on the topic which will be forthcoming.

If these new elements are not part of the measurement of poverty, vulnerable communities will not be able to escape poverty, or what it is even worse - intergenerational poverty will dramatically increase in the face of new challenges.