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**Report of the independent expert on the question of human rights and  
extreme poverty, Arjun Sengupta**

## Summary

This third report by the independent expert on the question of human rights and extreme poverty builds upon his two earlier reports on extreme poverty as well as his mission report on extreme poverty conditions in the United States, and brings together the observations of the group of experts, which met in Geneva at a Workshop on Extreme Poverty on 23 and 24 February 2007.

In the present report, the independent expert further explores the link between human rights and extreme poverty by outlining the following three considerations that contribute to the distinct value added of viewing extreme poverty in terms of violation or denial of human rights.

In Section 1, the independent expert builds on the existing consensus within the international community on the multidimensionality of poverty, and analyses the different characteristics of the conditions of extreme poverty, namely income poverty, human development poverty and social exclusion, so that they can be linked to the conditions of deprivation of human rights.

Section 2 describes these core characteristics in a manner aimed at achieving an operational definition of the notion of extreme poverty, so that a process of implementation, progress-mapping and monitoring, can be developed in a comprehensive manner. The independent expert further emphasizes the advantage of viewing the eradication of extreme poverty as a human rights entitlement in itself, rather than a mere claim towards the implementation of measures to eradicate poverty, based on the instrumental role of human rights.

Finally, in section 3, the independent expert looks at some of the policy experiences of different countries in a context specific environment, in order to identify and enhance the distinct value added of implementing policies in a human rights framework.

The independent expert is grateful for the research assistance provided by Avani Kapur, Ipshita Sengupta and Reji K. Joseph of the Centre for Development and Human Rights, New Delhi.

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## I. INTRODUCTION

1. The Commission on Human Rights established the mandate of the independent expert on the question of human rights and extreme poverty at its fifty-fourth session, in resolution 1998/25. At its sixtieth session, in resolution 2004/23, the Commission extended the mandate for two years and appointed Mr. Arjun Sengupta (India) as the new mandate holder. In resolution 2005/16 the Commission reconfirmed the mandate of the independent expert and further invited him to “pay special attention to the concrete experiences of involvement of people living in extreme poverty in the political decision-making and social processes” and “to continue to focus on the various aspects of the link between human rights and extreme poverty”. The present report is submitted in accordance with Human Rights Council decision 1/102.

2. The third report on Extreme Poverty and Human Rights by the independent expert, builds upon his two earlier reports on the subject submitted to the Human Rights Commission in 2005 and 2006, as well as on his mission report on extreme poverty conditions in the United States, considered by the Commission last year. This third report also takes into account the observations of the group of experts, which met in Geneva at a workshop on 23 and 24 February 2007 to consider the different aspects of the approach of the Independent Expert on Human Rights and Extreme Poverty.<sup>1</sup>

3. Three considerations motivated the independent expert’s approach to the problem of extreme poverty and human rights. First, he wished to analyse the different characteristics of the conditions of extreme poverty, so that they can be linked to the conditions of deprivation of human rights. This approach was meant to facilitate the acceptance by the international community of States that the eradication of extreme poverty could be viewed as a human rights entitlement by the national and international authorities, as well as multilateral institutions. To that end, a consensus has to be developed not only on the core characteristics of extreme poverty, but also, on how to describe them in an operational manner, as well as on the feasibility of the policies that can eradicate those conditions.

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<sup>1</sup> The contributions of these experts namely, Professor Baard Andreassen, Norwegian Centre for Human Rights; Professor Dan Banik, University of Oslo; Dr. Jose Bengoa, Member of the UN Sub-Commission for the Promotion and the Protection of Human Rights; Ms. Marily Gutierrez, International ATD Fourth World Movement; Professor Ravi Kanbur, Cornell University; Mr. Tom McCarthy, World Organization against Torture; Mr. Rajeev Malhotra, OHCHR; Mrs. Ellen Mouravieff-Apostal, International Federation of Social Workers; Mr. Michael Mutzner, Franciscans International; Dr. Ides Nicaise, University of Leuven; Dr. Siddiq Osmani, University of Ulster, UK; Professor Thomas Pogge, Columbia University; Professor Sanjay Reddy, Barnard College, Columbia University; Mr. Ibrahim Salama, Chairperson of the Working Group on the Right to Development, OHCHR; Professor Peter Townsend, London School of Economics; Mr. Xavier Verzat, International ATD Fourth World Movement; Dr. Arjun Sengupta, Independent Expert, OHCHR; and Mr. Jens Schutz, Secretariat OHCHR, are available on the website: [www.ohchr.org](http://www.ohchr.org).

4. The second consideration was to describe the core contents of extreme poverty in a manner that would permit the monitoring of improvement or deterioration of conditions, and the identification of policies to remove the specific conditions of extreme poverty and to establish indicators to measure progress or failure of the process of eradication. In other words, the operational definition of extreme poverty should be amenable to a process of monitoring the progress of the implementation of policies, in as an objective a manner as possible, with the help of specific indicators.

5. The third consideration was to examine some of the policy experiences of different countries and identify the manner by which the implementation of those policies could be improved within a human rights framework.

## II. THE MULTIDIMENSIONALITY OF POVERTY

6. To facilitate the development of a consensus around the concept of poverty and extreme poverty, the independent expert built upon the existing consensus in the international community on the multidimensionality of poverty. The international community had affirmed, in virtually all international forums, that poverty was not only confined to economic deprivation, but extended to social, cultural and political deprivation as well. While growth in gross national product (GNP) was the goal of development in the 1950's and 1960's, the first Human Development Report (1990) of the United Nations Development Programme (UNDP) stated that promoting individual development has to be reckoned in terms of human development which it defined as "the process of widening people's choices and the level of their achieved well-being". In this context, poverty implied severe deprivation of human development. To operationalize this notion, the UNDP report introduced a Human Development Index (HDI), based on the availability of data in different countries, which captured three essential components of human rights namely longevity, knowledge and basic income for a decent living standard, as a first approximation to measuring human development as a whole. Longevity and knowledge refer to forms of human capabilities, and income is a proxy measure for the choices people have in putting their capabilities to use. This methodology was a major innovation, although economists such as Arthur Lewis had also previously emphasized the instrumental role of income growth, that not only increases wealth but also increases the range of human choice because it gives man greater control over his environment, and thereby increases his freedom.<sup>2</sup> The Human Development Report clearly emphasized the need for policies specifically aimed at the expansion of human capabilities, which the instrumentality of income growth alone could not capture.

7. The Copenhagen Declaration of the World Summit for Social Development in 1995 clearly stated, that "Poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihood; hunger and malnutrition; ill-health; minimum and lack of access to education and other basic services increase morbidity and mortality from illness; homelessness and inadequate housing; unsafe environment; and social

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<sup>2</sup> See W. Arthur Lewis, *The Theory of Economic Growth*, 9-10, 420-21 (1955).

domination and exclusion”.<sup>3</sup> It further stated that, “Absolute poverty is 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 access to social services.”<sup>4</sup> This characterization of poverty was reiterated in several international conferences such as the World Food Summit in Rome in 1966, the United Nations Millennium Declaration of 2000 and the World Summit on Sustainable Development in 2002.

8. In line with this approach, the independent expert defined poverty, as a composite of income poverty, human development poverty and social exclusion, and extreme poverty, as the extreme form of these three different dimensions of poverty. People who suffer from income poverty are those who have a dispensable income or expenditure below an agreed level that can be considered to be the minimum required for leading a sustainable life.<sup>5</sup> People suffering from human development poverty were regarded as those who lacked access to those certain basic goods and services that make it possible to lead a meaningful life. As it may not be possible to capture all the aspects of human development, a few essential components of human development poverty, such as longevity, the availability and access to food and nutrition, basic education or shelters, of minimal standards, may be chosen by consensus in a society and on the basis of the availability of data and information. Social exclusion would refer to the basic security of the individual’s ability to lead an adequate social existence, depending on the characteristics of the society in which he lives and the structure of relationships.

9. It is recognized that these three dimensions of poverty are often interdependent but are not perfectly correlated to each other. They represent different aspects of the poverty phenomenon and would require different sets of policies to address them. A composite of these characteristics would imply a union of these three sets of poor people, those who are either income poor or human development poor or socially excluded, without overlaps, to avoid double counting. This would include, in addition to those people suffering from all three types of poverty, those who suffer from any of them. An alternative definition of poverty would be the intersection of these

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<sup>3</sup> World Summit for Social Development, 1995, Programme of Action, chap. 2, para. 19, available at: <http://www.un.org/esa/socdev/wssd/agreements/poach2.htm>.

<sup>4</sup> Ibid.

<sup>5</sup> This method of measuring income poverty is known as “headcount ratio”, which is the proportion of people below the poverty line and is a simpler measure for which now data has been collected for most developing countries. But this is not necessarily the best measure of income poverty because, it does not capture the average shortfall of income of the poor from the poverty line nor the distribution of income among the poor. Both these notions may be necessary in order to devise a policy to solve the problems of the poorest in any anti-poor programme. Where data is available, these other indicators may be used in addition to the “headcount ratio”, to appropriately attack income poverty. However, we have chosen the usual headcount ratio as an indicator of income poverty, as a first approximation of this exercise. See A. Sen (1995) *Inequality Re-examined*, Oxford, pp. 102-116.

three sets, that is, only those people who suffer from all the three dimensions of poverty. This would cover a much smaller number of poor people than that in the concept of the union of these three poverty sets.

10. Following this approach, extreme poverty can be regarded as a union of sets of people who are extremely income poor, extremely human development poor and extremely socially excluded. What will be considered as the most extreme form of poverty among them would be determined by social consensus, and thus may vary from one country to another. The internationally accepted definition of extreme poverty is that of having to live on an income of less than US\$ 1 a day in terms of purchasing power parity. However, many developing countries have adopted a definition of extreme poverty which is at a much lower level. Similarly, human development poverty and social exclusion will have to be contextually defined, depending on the characteristics of each country's social and economic structure. The definitions of poverty and extreme poverty mentioned above have two main advantages. First, they make it possible to establish indicators for these forms of poverty on the basis of existing data. Indeed, considerable progress has been made in the methodology of developing such indicators that not only captures the outcomes but also the processes, and not only the availability of goods and services, but also access to them. This progress in the development of indicators is very significant as it makes it possible to interpret results in terms of human rights deprivation that depend not only on the outcomes of activities, but also on the processes through which these outcomes are achieved.

11. The second advantage of this approach is its ability to enhance, in a political sense, a social consensus in a country that would enable the State and other social actors to accept the responsibility of adopting policies to eradicate poverty. Any society would recognize that poverty is something repugnant and unacceptable because it represents denial of human dignity. However, in order to make the eradication of poverty a human rights entitlement, there has to be a categorization of the social forces that would be prepared to make the necessary sacrifices by redistributing resources or by mobilizing special services and targeted programmes. The definition of extreme poverty may be sensitive to the requirement of developing a social consensus. However desirable it may be that the society take care of all the poor people in its country, it may be prudent to move step by step, to start by identifying the groups of people recognized as being extremely poor, i.e., those suffering from extreme forms of income poverty, human development poverty and social exclusion, to put in place appropriate policies to eradicate poverty and to mobilize institutional mechanisms to implement them.

### **III. CORE CHARACTERISTICS OF POVERTY**

12. One of the experts who participated in the above-mentioned workshop on human rights and extreme poverty suggested that poverty should be taken simply as a failure of "basic capabilities", and extreme poverty as severe failure of "basic capabilities". Income poverty has no independent role in this framework, where poverty should be taken as a deprivation of such elemental freedoms as freedom from hunger, from avoidable diseases and premature mortality and from the curse of ignorance and illiteracy. This has been the main approach of the expert's report on the Draft Guidelines on a Human Rights Approach to Poverty Reduction Strategies prepared for OHCHR in 2002. Some intensive debates on this issue took place in the workshop, and since this question frequently arises in different international forums, it may be useful to consider these arguments carefully.

13. The capability approach was formulated by Amartya Sen in his books “Commodities and Capabilities”,<sup>6</sup> and “Inequality Re-examined”<sup>7</sup> as an alternative to the traditional income approach. The capability approach to social welfare is based on the idea that “living may be seen as consistent of a set of interrelated ‘functionings’ consisting of ‘beings and doings’, such as being adequately nourished, avoiding premature mortality or simply being happy, as examples of functionings”. A person’s set of being is understood as a vector of functioning. In choosing what kind of life to live, a person chooses among such vectors. The set of such feasible vectors for any person is that person’s capability set; a capability set represents a person’s opportunities to achieve well-being. One may also say that it represents a person’s freedom.<sup>8</sup> It is important to note that Sen’s “Notion of Functioning” is derived, yet quite distinct from commodities. It is not just having food but the way that food is used and accessed that can determine the function of being adequately nourished. However, freedom is not identified within the set of feasible vectors of functioning, i.e., the capability set. There is no doubt that Sen’s approach has opened up a wide vista for analysing the conditions of the well-being of the poor and also of poverty. Sen’s “Notion of Capability as Freedom” brings it close to the human rights approach that makes selected freedoms a socially accepted human rights entitlement. In that sense, the proposition that poverty is the deprivation of basic capabilities is perfectly justified and links in quite a straightforward manner to the deprivation of certain basic freedoms which have now been accepted as human rights such as the right to food, the right to health, the right to education and the right to an adequate standard of living. This approach is perfectly consistent with the approach adopted by the Independent Expert on Extreme Poverty.

14. However, the problem with the capability approach lies in putting it into operation. Robeyns (2000) notes that despite the fact that Sen published “Commodities and Capabilities” as early as 1985, the number of empirical applications has been quite limited, mainly because it is hard to estimate and value functionings.<sup>9</sup>

15. Some differences arose in the Workshop regarding the inclusion of the notion of social exclusion in the definition of poverty. One European expert argued that adding social exclusion to the definition of extreme poverty, which has many different dimensions, might make it very difficult to estimate, since 90 per cent of any population can be regarded as excluded in one sense or another, especially if one included exclusion from the labour market, exclusion from basic services and social relations; moreover, there is currently no methodology to operationalize the concept on the basis of available statistics. This view was opposed by others who considered

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<sup>6</sup> A. Sen, *Commodities and Capabilities*, North Holland, 1985.

<sup>7</sup> A. Sen, *Inequality Re-examined*, Oxford: Clarendon Press, 1992.

<sup>8</sup> See, Robert Suqden, Welfare Resources and Capabilities - *The Journal of Economic Literature*, December 1993.

<sup>9</sup> See Ingrid Robeyns (2000), “An unworkable idea or a promising alternative? Sen’s capability approach re-examined”, p. 26.



that the inclusion of social exclusion in the definition would shift the notion of extreme poverty to a holistic and more political level, and thus would serve to emphasize the political dimension of extreme poverty. Another expert underlined that social exclusion is a central element of extreme poverty in developed countries, where basic social services exist but do not reach the extremely poor due to their exclusion.

16. The independent expert considered that the inclusion of the notion of social exclusion in the definition of extreme poverty has a distinct value added because deprivation resulting from social exclusion may be quite different from deprivation of income and of human development. Measuring social exclusion may be difficult because it will have to focus on specific failures and social relations, which may be both context-specific and inter-temporal in nature. However, the difficulties in measuring social exclusion, should not lead to its omission from the notion of poverty, because it introduces a different dimension to the problem. Several attempts have been made in different countries of the European Union, notably Belgium and the United Kingdom, to estimate social exclusion, and to establish a relationship between social exclusion and other aspects of poverty which lead to the denial of basic freedoms or of security of different people. In many developing countries, statistics do exist of the number of people who are socially marginalized, excluded or ostracized as well as of their living conditions. In India, a substantial debate is taking place on the living conditions of people belonging to the lower castes and tribes who are socially excluded, and whether affirmative action treatment by the Government should be extended to all such people or be confined to those among them who are income poor. The independent expert maintained the view that accepting that people who are socially excluded are suffering from extreme poverty would add substantial value to the discourse in both developed and developing countries.

17. An exchange of views took place regarding the independent expert's rationale of focusing on extreme poverty as constituting a deprivation of human rights, since this might be more politically acceptable to the authorities of different countries and therefore would strengthen the call for obligations to eradicate those conditions. One opinion was that poverty and extreme poverty are in a "continuum of scale" and the policies aimed at the removal of extreme poverty would be quite similar to those needed to eradicate poverty as such. This of course relates to empirical exercises of poverty eradication, for which policies have to be context-specific. Often the conditions of extreme poverty could be tackled more effectively through a limited number of policy instruments, than by applying the whole gamut of policies needed for the removal of poverty. Another argument suggested that the notion of extreme poverty as the intersection of income poverty, human development poverty and social exclusion might not always end up effectively benefiting the bottom rung of the poor. A preferred version, as indicated in the independent expert's second report on extreme poverty,<sup>10</sup> is first to identify subsets of people suffering from the extreme forms of income poverty, human development poverty and social exclusion, by adopting a threshold determined by consensus. The union of these subsets of the extremely income poor, human development poor and socially excluded could then demonstrably deal with the most vulnerable sections of the population.

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<sup>10</sup> E/CN.4/2006/43.

18. Another expert believed that broadening the definition of extreme poverty could bring more interest groups into a possible coalition. This point was contested on the familiar grounds of its feasibility and the concern that vested interests for which state cooperation might be more desirable, could easily block reforms. A glaring example of such a problem in the exercise of social choice could be witnessed in the United States where there is “conflict between majoritarian public preference for policies that use unemployment to combat inflation, and the obligations of the Government to secure the right to work”.<sup>11</sup> This clearly demonstrates the possibility of conflict between efficiency maximization policies and human rights protection as public policy goals in a market economy.<sup>12</sup> Another major study by Peter Townsend with David Gordon for DFID entitled “The Extent and Nature of ‘Absolute’ Poverty”, (2003), that followed upon the World Summit for Social Development at Copenhagen in 1995, recognized the difference between absolute (extreme) notions of poverty and overall poverty, and developed indicators of severe deprivation of human needs e.g. food, drinking water, sanitation, health, education and information. Data from 74 countries surveyed demonstrated that it is possible to design policies that first tackle those extreme/severe deprivation problems. José Bengoa’s final report to the Sub-Commission on the Promotion and Protection of Human Rights<sup>13</sup> also emphasizes the need to give priority to those most in need in policies for extreme poverty eradication. While the independent expert’s approach by no means guarantees that disagreements will not arise between social groups as to the relevant elements of extreme poverty, most experts agreed that narrowing down the universe of the poor, to the extremely poor would most likely achieve greater political acceptance. In his second report, the independent expert drew attention to the Rawlsian principle of justice, which considers taking care of the most vulnerable segments of the society, summarizing it as “people suffering from extreme poverty would then be a small portion of the total number of people who are suffering from all forms of poverty, and the severity of conditions of poverty would be apparent to every member of society, inducing them to take action to eradicate those conditions”.<sup>14</sup>

19. In this situation, poverty reduction would receive a higher political priority not only from the national authorities but also from the international community thus increasing the possibility of expanding development aid as well as obtaining the participation of the poor in the design and implementation of anti-poverty measures.

20. The workshop addressed the issues raised by the independent expert as to whether extreme poverty, in itself, is a condition caused by a human rights violation or whether extreme poverty itself can be described as a violation of human rights. In the first view, human rights play an instrumental role in the creation of conditions of well-being for the rights-holders, which may

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<sup>11</sup> See Philip Harvey *Human Rights and Economic Policy Discourse: Taking Economic and Social Rights Seriously*, p. 107.

<sup>12</sup> *Idem.*

<sup>13</sup> A/HRC/Sub.1/58/16.

<sup>14</sup> See E/CN.4/2006/43, p. 18, para. 60.

lead to eradication of extreme poverty. In his first report,<sup>15</sup> the independent expert stated, “if the obligation of poverty eradication is derived from the instrumental role of human rights, then even if the latter are realized, there may be other factors or instrumental variables that prevent poverty eradication, and human rights obligations for state agencies and the international community would not necessarily entail policies to tackle those other instrumental variables”. However, if the eradication of poverty is itself seen as a human rights entitlement, the state agencies and the international community would have the obligation to adopt appropriate policies to remove extreme poverty. This would include not only the enforcement of the relevant human rights instruments already recognized, but also, other causes and variables that contribute to the creation of extreme poverty. As several experts pointed out, the poverty reduction programme would then be not a matter of charity but of duty, including the possibility to claim rights through the legal system and courts. It would make a government’s intervention “justiciable”, in that “violation” of this right would have a potential cost for the government, as cases could be taken to courts. One expert, giving the consequentialist argument of the value addition of the human rights approach, stated that when the interventions involved in the application of instruments to reduce poverty are opposed by the rich, the adoption of extreme poverty as a denial or violation of human rights would help to overcome their resistance (a) by increasing the cost to the rich and powerful of opposing those interventions, thereby implying a change in opportunity sets; and (b) by convincing the rich of the desirability of reduction in the incidence of poverty, implying a change in the preference of the rich. Countries may adopt policies to resolve internal conflicts or to reduce extreme poverty, as would be required by an international convention, without becoming parties. However, the peer group effect may be a very relevant consideration for many countries as they would not wish to be isolated as the only country not having ratified such a convention. In fact, the value added to poverty reduction of the existence of an international convention increases as a function of the importance of peer group pressures, and of the strength of its monitoring and “naming and shaming” provisions upon parties.

21. The acceptance of extreme poverty as a denial of human rights would thus create an obligation for a society to act, provided that the fulfilment of those obligations is feasible. It should be possible to identify the person and institution who as duty-bearers can take actions to fulfil these obligations. In this context a “violator” would be anyone who could have taken such action but failed to do so, or who has acted in a manner that engenders or worsens extreme poverty. Consequently, this notion of extreme poverty would force duty-bearers to adopt adequate anti-poverty policies.

22. In identifying the violator, however, it is necessary to closely examine the policies for eradicating poverty. Certain policies can be described as the “technical type” - for example whether countries should have an employment-oriented policy focus, or have a minimum wages law and a policy on how they should reallocate public expenditure. The other type of policies may be called “institutional”, dealing with the creation of appropriate institutions for formulating, monitoring and implementing the policies. The technical aspects of pro-poor policies are unlikely to differ much whether or not poverty is conceptually linked to human rights. The real difference would lie in the institutional aspect. The independent expert suggested

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<sup>15</sup> See E/CN.4/2005/49, p. 10, para. 28.

in his second report<sup>16</sup> that concrete programmes of action that can alleviate poverty must first be identified, then they must first be proven to be not only technically feasible but also institutionally implementable, with some minor, but well-specified processes of institutional and legal reforms, supported by international assistance, both in terms of resources and rules and procedures of international transactions.

23. The most important feature of this institutional framework within which the removal of poverty is seen as a denial of human rights, would be that the institutions would ensure accountability of duty-bearers and would foster effective participation of rights-holders in the formulation, implementation and monitoring of policies. The right to participate in policy processes is an essential part of the process aspect of the human rights approach and a value in itself as recognized by the independent expert in his earlier report on the Right to Development.<sup>17</sup> Indeed he had referred to the concept of the right to development, that was recognized in international human rights law through the adoption of the Declaration of the Right to Development of 1986 and reiterated by international consensus in the Vienna Declaration and Programme of Action of 1993. “The right to development is a right to a process of improvement of well-being when all fundamental freedoms and human rights are realized.”<sup>18</sup> That process of progressive realization of this right must be based on the principles of equity and non-discrimination, as well as participation, accountability and transparency. In that sense, the condition of extreme poverty can be considered as the denial or violation of the right to development for a group of people identified as poor by society.<sup>19</sup>

24. During the above-mentioned workshop, there was an interesting discussion on the applicability of the notion of violation to the international community, once a human right is recognized as entailing both national and international obligations. The independent expert had earlier invoked the concept of “perfect and imperfect obligation”; perfect obligations are associated with duties that have a direct impact on the exercise of the right, while imperfect obligations have an indirect impact, contingent upon other duty-holders carrying out their obligations. The direct duties relate to perfect obligation and if those duties are not performed the duty-bearers may be regarded as a “violator” even if when performed, the duties may not, on their own, completely solve the problems of poverty. All duties are related to the outcome with a probability, as there is no certainty that any policy will always produce the intended result. Direct duties are those that if not performed, there is a high likelihood that the results would not be achieved, but whose impact could be clearly attributed to a duty-bearer responsible for contributing to the fulfilment of the objective. Indirect duties, however, are in the nature of imperfect obligations as their impact on the final outcome is very much dependent upon the activities of other agents, so that the non-fulfilment of the result, cannot be attributed to the non-performance of a specific duty-holder. In this sense, the obligations of the international

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<sup>16</sup> E/CN.4/2006/43, p. 15, para. 50.

<sup>17</sup> E/CN.4/2000/WG.18/CRP.1.

<sup>18</sup> See E/CN.4/2005/49, p. 11, para. 33.

<sup>19</sup> See E/CN.4/2005/49, p. 11, para. 33.

community begin as imperfect obligations, because, even when the international community decides to act in a certain manner, if the state authorities and other local actors do not perform, the result may not be achieved. For instance, international agreements to liberalize trade as a means of stimulating economic growth may not reduce poverty unless there is a mechanism to redistribute the gains from such trade to poor people who may not have been able to draw benefit from the expanded trading opportunities. The international community still has the duty or imperfect obligation to pursue trade liberalization so as to provide such opportunities, but cannot guarantee that the poorer states will derive gains, nor that Governments will adopt the necessary measures to ensure that the benefits derived from expanded trade are shared by the poor. The non-fulfilment of poverty eradication cannot be regarded as a violation of the obligations of the international community.

25. However, if the state authorities adopt appropriate policies of redistribution of the increased income and adopt policies for removing poverty, the imperfect obligation of the international community would be converted into a perfect obligation, as there would be a very high likelihood that the conditions of poverty could not be removed in the absence of such trade liberalization.

26. One view expressed was that the international community should be held responsible for the violation of a right if it refuses to change the procedure of international transactions that create conditions of deprivation of the right, irrespective of whether the state authorities adopted the right policy. For example, an international regime that results in the increase of the cost of essential drugs would be considered as a direct violation of its obligations, because whether or not the state authorities adopt any policy, this increase would make it very difficult to protect the health of the poor in developing countries.

27. Indeed, Thomas Pogge in his book entitled “World Poverty and Human Rights” (2002) held the international community fully responsible for maintaining the rules and procedures of the international financial, trade and intellectual property regime, which worked against the developing countries, especially the conditions of the poorest amongst them. According to his calculation, a transfer of less than 1 per cent of the world income, most of which is accounted for by the industrial countries, would have been sufficient to abolish poverty throughout the world. The richer countries spend more than that amount in many other areas including armament and wasteful consumption. If eradicating poverty were accepted as a human right entitlement, their inability to mobilize a fraction of that amount for the purpose of taking care of the world’s poorest would be tantamount to their violating human rights.

#### **IV. PROGRAMMES FOR ERADICATING EXTREME POVERTY**

28. In his previous two reports and his mission report on extreme poverty conditions in the United States, the independent expert had demonstrated various ways in which feasible policies can be designed and implemented to eradicate extreme poverty in different parts of the world. In fact, many of the programmes adopted in different countries including those carried out in collaboration with donor countries and multilateral agencies, have developed elements that have gone quite far towards adopting a rights-based approach for eradicating poverty. It would be useful to carry out a systematic survey of all such practical applications and policies for eradicating poverty, with the view to analysing the successes and failures in terms of human rights achievements. This would make it possible then to demonstrate how a human rights-based

approach to this problem would have had a superior impact, if it was designed and implemented in conformity with human rights norms. The independent expert analysed in depth some of these policies by examining the prevailing conditions in different countries, in recognition that both the policies and their results would be invariably context specific. If other analysts from different institutions and countries conducted similar exercises, it should be possible to build up a portfolio of case studies enabling a broad generalization to be made.

### **A. Poverty reduction in Africa**

29. In the African Continent, considerable experience has been accumulated with the implementation of poverty reduction strategies initiated by the International Monetary Fund (IMF) and the World Bank. Such strategies were based on the recognition that engineering economic growth through structural adjustment programmes may exacerbate inequality and poverty, and in the absence of conscious efforts to mitigate these side effects, social resentment and popular discontent may increase to the extent that it negatively impacts on the growth process. Poverty reduction strategies incorporated in Poverty Reduction Strategy Papers (PRSPs) are meant to counter this tendency. There are usually three main features of all PRSPs, namely macroeconomic reforms and trade liberalization in order to stimulate economic growth; the redirection of social policy towards the provision of welfare services to the poor and the vulnerable and the emphasis on ownership and popular participation. The IMF estimated that GDP growth in PRSP countries averages nearly 5 per cent since the mid-1990s, a marked improvement over the performance between 1980 and 1995, outpacing the growth in non-PRSP countries. Living standards as reflected in the rate of growth of per capita income, which averaged 0 per cent in PRSP countries over the 1980s, and early 1990s, have risen nearly 2.5 per cent per annum since the mid-1990s. Poverty reduction standard as a percentage of GDP has been rising more rapidly in Africa than in other regions and is projected to climb to 8.5 per cent compared to 2.5 per cent in non-African countries. In terms of real social welfare impact, country statistics show that PRSPs are making a visible difference. In Uganda, for example the budgetary allocation for primary education has increased from 19.8 per cent of the budget in 1994-1995, to 26.8 per cent at present; while primary school enrolment increased from 5.3 million in 1997 and is projected to rise to 7 million in 2010. In Tanzania, basic education was allocated an additional 52 per cent in the 2000-2003 budgets, during which net enrolments increased from 57 per cent to 85 per cent. It is noteworthy, however, that the PRSPs in most countries were based on ex post consultations that were not genuinely participatory. The programmes are prepared by technocrats in collaboration with IMF and the World Bank. Consultations with the civil society take place only after the main elements of the strategy have been determined. In the case of Ghana, for example, Fantu Cheru observes that, the interim-PRSP, which was drawn from the World Bank's 2000-2003 Country Assistance Strategy Document, has nothing to do with poverty but was rather designed to secure additional donor assistance, after the 1999 elections, following the dramatic collapse in the economy's terms of trade and escalating oil prices.<sup>20</sup> Apart from a few countries like Uganda and Ghana, civil society organizations, labour and trade unions and professional associations are sidetracked in the consultation process, and democratic institutions such as the Parliament and political parties are

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<sup>20</sup> Fantu Cheru (2002) "The PRSP Process in Ghana", available at [http://www.uneca.org/prsp/docs/prsp\\_final/Ghana.PDF](http://www.uneca.org/prsp/docs/prsp_final/Ghana.PDF).

also not involved. As a result, PRSPs often undermine the growth of democracy, rather than strengthen it.<sup>21</sup> In several countries, the perception of people is that PRSPs simply increase the demands on the government in the structural adjustment process. In Zambia for example, the PRSP has been an extension of the earlier stabilization programme, without leading to any radical alteration in the macroeconomic regime. Said Adejumobi (2006) summarizes this by saying that “the experience of many African countries with respect to adjustment policy measures especially in the social sector is that it weakens governance capacity rather than strengthens it”.<sup>22</sup>

30. Despite all these criticisms, it is generally recognized that the PRSPs have brought anti-poverty programmes to the forefront of national development policies and have highlighted the nature of political regimes and governance in Africa. However, they have still failed to emphasize the importance and relevance of the human rights-based approach for addressing the problems of governance in an objective manner, that would invariably lead to the design of policies in conformity with human rights standards. In Uganda, the strengthening of democracy and decentralization constitute an element of the objectives of the PRSP, to be achieved through “promoting peaceful conflict resolution, respect for human rights, law and order, transparency and accountability in government”.<sup>23</sup> In Ghana, the PRSP emphasizes the notion of good governance by promoting rule of law, human rights, social justice and equity as well as transparency and accountability in public sector management. From the human rights point of view, it should be possible to build on these aspects of PRSP, since the formulation of a PRSP is now recognized as the goal not only just for stimulating economic growth, but also for promoting pro-poor governance by enlisting the poor in the decision-making process.

## **B. Poverty reduction in Asia**

31. Over the last decade, poverty reduction has become a major concern in almost all Asian countries. Development policy now emphasizes the identification of priority areas by national Governments themselves to enable them to design their own national poverty reduction strategies within the context of social development. In line with this approach, many Asian countries have adopted PRSPs, with the broad participation of civil society, as the framework for their efforts at poverty reduction and as a basis for accessing loans and grants from international donors.

32. Most countries in the Asia-Pacific region focus their national poverty reduction strategies and programmes on the majority of the poor population. These programmes aim at reducing poverty, increasing access to basic services like education, health and safe drinking water as well as addressing the issues of equity, non-discrimination and participation through targeted safety net programmes.

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<sup>21</sup> See Said Adejumobi (2006) “Governance and Poverty Reduction in Africa: A Critique of the Poverty Reduction Strategy Papers”.

<sup>22</sup> *Ibid.*, p. 22.

<sup>23</sup> *Ibid.*, p. 17-18.

33. Although in many of these countries, the actual implementation process is still in its infancy, success in terms of overall poverty reduction is already becoming apparent. In Nepal, for example, the Central Bureau of Statistics (2005) reveals that the national poverty head count rate declined from 41.76 per cent in 1995/96 to 30.85 per cent in 2003/04. In urban areas in particular, the change was even more significant, from 21.55 per cent to 9.55 per cent, representing a decline of 56 per cent. The Poverty Gap analysis also shows a substantial decrease from 6.54 to 2.18 in urban areas and 11.75 to 7.55 at the national level. Similarly in Cambodia, in those areas (59 per cent) covered by both the 1993/1994 and 2004 Socio-Economic Surveys, over these 11 years the poverty index fell by 11 percentage points or about 1 percentage point a year, while the Food Poverty Line declined from 20 per cent to 14.2 per cent.<sup>24</sup> In Bangladesh, the incidence of poverty in households, using the direct calorie intake method, shows a significant improvement. The number of male-headed households suffering from hard core poverty (or less than 1,805 K.cal/day); declined from 27.7 per cent in 1988/89 to 19.6 per cent in 2000, while the corresponding change for women headed households was a decline from 32.0 per cent to 26.4 per cent.<sup>25</sup> Viet Nam also has been able to meet significant poverty reduction targets through the implementation of its Comprehensive Poverty Reduction and Growth Strategy (CPRGS) adopted in 2000. The incidence of poverty in Viet Nam has declined from 17 per cent in 2000 to 7 per cent in 2005.<sup>26</sup> At the end of 2004, 2 out of 64 provinces in Viet Nam did not have any poor households, 18 provinces had poverty rates ranging from 3 to 5 per cent, 24 provinces had poverty rates between 5 to 10 per cent and only 2 provinces recorded poverty rates of over 20 per cent.<sup>27</sup> Viet Nam has fulfilled its MDG targets 10 years in advance, and reduced the number of poor households from 58.1 per cent in 1993 to 24.1 per cent in 2004, measured against the international poverty line.<sup>28</sup>

34. Most Asian countries also attach considerable importance to providing social safety nets for targeted vulnerable groups in order to fulfil the criteria of equity and non-discrimination. Bangladesh, in particular, has had significant success in its social safety net programmes (SNP's) of which 27 represent 4.4 per cent of public expenditure. These SNPs focus on every section of society, women, children, the disabled and the elderly and include programmes for employment generation, food security, health, education and community development.

35. The success of these programmes, in particular with regard to women, is reflected in women's increased participation in household decisions and income-generating activities, as well as in their improved health conditions. For example, infant mortality rates (per 1,000) in

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<sup>24</sup> Cambodia: Poverty Reduction Strategy Paper, IMF Country Report No. 06/266, July 2006.

<sup>25</sup> Bangladesh Bureau of Statistics (BBS) and Household Income and Expenditure Survey (HIES), 2000 and 2003.

<sup>26</sup> Viet Nam: Poverty Reduction Strategy Paper, Annual Progress Report, IMF Country Report No. 06/340, September 2006, at <http://www.imf.org/external/pubs/ft/scr/2006/cr06340.pdf>.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.



Bangladesh decreased from 92 in 1991 to 53 in 2001, with a notable decrease in the rural areas from 94 per cent to 57 per cent.<sup>29</sup> Programmes targeting community empowerment or elimination of social exclusion, such as the Rural Maintenance Programme (RMP) which aims at empowering women, particularly widows or single-headed households, and maintaining rural infrastructure, involve about 42,000 participants annually. Studies show that over 60 per cent of the phased-out RMP participants were able to maintain the standard of living they had enjoyed during their RMP period. Safety net programmes in Bangladesh have also become successful to a certain extent in alleviating human poverty. Similarly, the Vulnerable Group Development (VGD) programme, which focuses on developing life skills for women through training and motivating savings, has been successful in improving the socio-economic conditions of beneficiary women, enabling them to ameliorate their existing situation to sustain themselves and to rise above the level of extreme poverty.

36. Findings from the Bangladesh Institute of Development Studies (BIDS) show that about 70 per cent of children aged 5 to 14 years from beneficiary households are enrolled in schools, as compared to 64 per cent of those from non-beneficiary households. The different rounds of Labour Force Surveys indicate progress in employment generation as the employed population increased from 34.8 million in 1995/96 to 39.0 million in 1999/2000 and further to 44.3 million in 2002/2003. It is estimated that during the PRSP period (FY05-FY07), 8.02 million new jobs will be created, of which 5.39 million in rural areas and 2.63 million in urban areas. In Viet Nam, the statistics of the Ministry of Labour demonstrate a consistent increase in job creation over the last five years, with 1.5 million jobs created in 2004. The proportion of unemployed labour in rural areas has declined from 6.42 per cent in 2000 to 5.6 per cent in 2004.<sup>30</sup>

37. States and Governments are recognized and accepted as the principal providers of social services in Asian developing countries. With regard to basic education, public schools account for the bulk of primary school enrolment in the region (89 per cent), and their share of overall education expenditure is 79 per cent. Improvements in the public education systems are thus of primary importance. In Bangladesh, the implementation of stipend programmes, such as the Primary Education Stipend Project and the Female Secondary School Assistance Programmes, have contributed to an increase in literacy rates of the population (aged 7 years and above), from 32.40 per cent in 1991 to 47 per cent in 2004. In particular there has been a significant increase in female primary literacy from 25.15 to 42.90 per cent.<sup>31</sup> In Cambodia, World Bank statistics

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<sup>29</sup> BBS Paper, Statistics for Monitoring Attainment of MDGs in Bangladesh, table 17. Available at: [www.bbs.gov.bd/dataindex/MDGs%20in%20Bangladesh.doc](http://www.bbs.gov.bd/dataindex/MDGs%20in%20Bangladesh.doc).

<sup>30</sup> Viet Nam: Poverty Reduction Strategy Paper, Annual Progress Report, IMF Country Report No. 06/340, September 2006, at <http://www.imf.org/external/pubs/ft/scr/2006/cr06340.pdf>.

<sup>31</sup> BBS Paper, Statistics for Monitoring Attainment of MDGs in Bangladesh, table 10 and 11. Available at: [www.bbs.gov.bd/dataindex/MDGs%20in%20Bangladesh.doc](http://www.bbs.gov.bd/dataindex/MDGs%20in%20Bangladesh.doc). Sources: Population Census 2001, Analytical Report (Provisional).

indicate that the primary completion rate has increased from 51.90 per cent in 2001 to 92.31 per cent in 2005.<sup>32</sup> Cambodia is also one of the few countries in which a very high proportion of the resources for primary education originates from the local community.

38. In contrast to education, the average share of the public sector in overall health expenditure is only about 52 per cent for developing Asian countries, and is particularly low in South Asian countries, reflecting the predominance of private and other forms of health-care provision in this subregion. The low quality of many public health systems lead even the poor to opt for private services. This is in particular the case in rural areas where the health systems are often administered by traditional doctors and under-qualified practitioners. The low quality of services in the public system can be attributed to weak administration, poor accountability and lack of oversight of facilities. It may also reflect a peculiar manifestation of power where unions of doctors, nurses and non-medical subordinate employees, each exercise collective power to extract rents from both the system and the patient, whilst maintaining their immunity from disciplinary action. However, in Viet Nam, the health situation is quite different. At the end of 2004, 65 per cent of health-care centres had doctors, 79 per cent of villages and hamlets had health-care practitioners and most of the communes and wards had built health-care centres. In 2004, the district health-care networks successfully provided health-care facilities to over 60 per cent of the patients. Seventy per cent of the central provinces and cities had traditional medicine hospitals and nearly 50 per cent of the general hospitals had traditional medicine departments/sections. However, it must be noted that despite the implementation of its national health programme throughout the country, according to the latest health indicators, Viet Nam has not been able to bridge the widening gap between the rich and the poor. For example, the infant mortality rate is 14 per 1,000 among the richest 20 per cent of the population and 39 per 1,000 for the poorest 20 per cent of the population,<sup>33</sup> and the maternal mortality rate is relatively high at 130 per 100,000 live births.<sup>34</sup>

39. In some cases, impact evaluation studies assessing the effectiveness of public health systems and health service delivery by NGOs found that contracting to NGOs can be both effective in terms of attaining higher improvements in health indicators, but also more equitable in terms of reaching the poor.<sup>35</sup> In Nepal, for example, where the Government's main strategy is to transfer the management of health services to promote community ownership and oversight, community management of health facilities was extended to 28 districts in 2004/2005. The total number of health institutions handed over to communities for management reached 1,412 by the end of 2004/05, including 1,303 sub-health posts, 77 health posts and 32 primary health-care centres. As Nepal has not had elected bodies since July 2002, the reform has been limited to assigning the management of health facilities to local Health Management Committees (HMC). The statistics of the Ministry of Health and Population indicate the major achievements of Nepal

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<sup>32</sup> World Bank website, Country profile Cambodia.

<sup>33</sup> UNDP, Human Development Report, 2006.

<sup>34</sup> *bid.*

<sup>35</sup> ADB: Key indicators of developing Asian and Pacific countries, 2006.

in health care, such as the fact that 96 per cent and 90 per cent of 1-year olds were immunized against tuberculosis (BCG) and diphtheria/pertussis/tetanus (DPT3) respectively, in 2004/2005. Moreover, 69 per cent of women received at least once antenatal care (ANC) in 2004/2005.

40. Participation is of prime importance in the PRSP framework, both in the consultations during the design of the national poverty reduction strategy, as well as in terms of fostering community participation. In general, in most Asian countries the consultation process and the exclusion of civil society during the drafting of the PRSP has been the subject of criticism. In Bangladesh for example, despite some consultations on the draft PRS, observers noted that most of the document had been drafted by two consultants and little attempt had been made to integrate PRSP into existing government systems.<sup>36</sup> A civil society coalition was formed to challenge the PRSP process and complain about inadequate participation. The “Independent Review for Bangladesh’s Development” (2002)<sup>37</sup> noted that representatives of the civil society were not involved in the designing stage of the exercise, and as a result the policy space was limited. Similarly in Cambodia, the NGO forum was also concerned that the Participatory Poverty Assessment (PPA) which elicits non-NGO community or grass-roots level participation had not been considered in the drafting process of the PRSP;<sup>38</sup> moreover, indicators of participation in each section of the PRSP document and measurements of its level and quality were not included.

41. Experience of participation in PRSPs has shown that there is a need to establish a clear framework for participation that defines guidelines and benchmarks for determining who is involved, at what stage and with what “level of participation”, and for the methodology to be used in the process. Most case studies demonstrate a general failure to directly involve poor people, and the absence of a clear and appropriate framework for participation. However, some success has been achieved in fostering community participation. In Nepal for example, social mobilization and community participation are emerging as the most-conflict resistant models of development. Evidence now suggests that when development activities are demand-driven and involve community participation, they are acceptable even to the parties in conflict. For example, community participation has been exemplary in rural drinking water projects. All the major projects in the sector, namely the Community-based Water Supply and Sanitation Project,

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<sup>36</sup> Monitoring and Synthesis Project (2003) Experience of PRSs in Asia. PRSP synthesis note 8, p. 5.

<sup>37</sup> CPD - IRBD (2002): PRSP Review, Poverty Reduction Strategy for Bangladesh: Views of Civil Society. Available at: [www.cpd-bangladesh.org/work/irbd\\_docs/INT02-04.doc](http://www.cpd-bangladesh.org/work/irbd_docs/INT02-04.doc).

<sup>38</sup> Cooperation Committee for Cambodia, NGO Forum on Cambodia and Medicam “NGO statement to the 2002 Consultative Group Meeting on Cambodia”, Phnom Penh, 19-21 June 2002.

Small Town Water Supply and Sanitation Sector Project, and Rural Water Supply and Sanitation Development Board, focus on a demand-driven, participatory cost-sharing approach.<sup>39</sup> The projects are implemented by NGOs and community-based organizations (CBOs), and have resulted in 77.5 per cent of the population having access to drinking water in 2004/2005.<sup>40</sup>

42. Bangladesh has also made major achievements in this area, with 99 per cent of the urban population, 97 per cent of rural population and 97.4 per cent of overall population in 2003 having access to safe drinking water. Moreover, the success of the Grameen Bank shows the importance placed on community participation.

43. Monitoring and accountability however, still remain the weakest aspects of the implementation of a rights-based approach to development. The existence, in most countries of the region, of democratic political systems makes possible the setting up of the monitoring and accountability procedures that are an essential ingredient of the rights-based approach to development. However, electoral democracy on its own is seldom enough to guarantee accountability. An extensive institutional framework needs to be in place, including a well functioning parliament and parliamentary committees, semi-judicial institutions such as a human rights commission and ombudsmen, and an effective system of decentralization. An example of a step in the right direction has been the setting up, by the Government of Nepal, of a Participatory Poverty Monitoring (PPM) mechanism for institutionalizing participatory monitoring whereby tools such as citizens' report cards, social audits, budget reviews by civil society groups and parliamentary reviews of programme and policy performance complement information generated by PMAS (Poverty Monitoring and Analysis System).

### **C. Poverty reduction in the European Union through social protection and social inclusion**

44. Despite the overall image that prosperity and well-being prevail in the European Union (EU), nearly 16 per cent of the EU population is living at risk-of-poverty.<sup>41</sup> The "at risk-of-poverty rate" is defined as the "share of persons with an equivalized disposable income, before social transfers below the risk-of-poverty threshold, which is set at 60 per cent of the national median equivalized disposable income (after social transfers)". Twenty per cent of children (under 16 years) in the EU are at risk of poverty.<sup>42</sup> Poverty reduction is one of the top

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<sup>39</sup> Nepal: Poverty Reduction Strategy Paper, IMF Country Report No. 03/305, September 2003.

<sup>40</sup> Ministry of Health and Population (MOHP), 2005.

<sup>41</sup> At risk of poverty after social transfers in percentage of Eurostat, at [http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1996,39140985&\\_dad=portal&\\_schema=PORTAL&screen=detailref&language=en&product=sdi\\_ps&root=sdi\\_ps/sdi\\_ps/sdi\\_ps1000](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,39140985&_dad=portal&_schema=PORTAL&screen=detailref&language=en&product=sdi_ps&root=sdi_ps/sdi_ps/sdi_ps1000).

<sup>42</sup> At risk of poverty rate after social transfers, by age group percentage, at [http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1996,39140985&\\_dad=portal&\\_schema=PORTAL&screen=detailref&language=en&product=sdi\\_ps&root=sdi\\_ps/sdi\\_ps/sdi\\_ps\\_mon/sdi\\_ps1112](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,39140985&_dad=portal&_schema=PORTAL&screen=detailref&language=en&product=sdi_ps&root=sdi_ps/sdi_ps/sdi_ps_mon/sdi_ps1112).

priorities on the EU agenda. The Amsterdam Treaty mandated for social inclusion within the Union. The Lisbon Strategy that emerged from the Lisbon Summit in 2000 addressed the key issue of social exclusion, and set the goal for poverty eradication within the region by 2010, to be achieved through the open method of coordination (OMC). These objectives, if met, would help achieve the larger EU goal of a “socially cohesive Europe”. The objectives were to be fulfilled through the development of appropriate National Action Plans against Poverty and Social Exclusion (NAPS) subject to periodic reporting and monitoring of progress. Further improvements of the indicators for social inclusion were made at the Laeken Economic Council in December 2001.

45. The Human Poverty Indicator-2 (HPI-2), as devised by UNDP, measures human and income poverty in rich industrialized nations. It is a composite index of poverty that measures deprivation based on the following human development indicators, namely, long and healthy life, education and a decent standard of living and social inclusion. The 2005 HPI-2 index shows that Scandinavian countries rank very highly, with Germany, France and Spain occupying middle level ranks and the United Kingdom and Ireland featuring at the bottom of the list.<sup>43</sup>

46. At the Laeken European Council, a set of 18 common standards and statistical indicators for social inclusion were endorsed and accepted by the Social Protection Committee of the European Council. These indicators can be categorized as follows:

- Primary indicators consisting of lead indicators of social exclusion such as financial poverty, health, education etc.;
- Secondary indicators consisting of supporting indicators describing other aspects of the problem and commonly defined and determined by the member States;
- Third level of indicators which can be included by member States themselves into their NAPs to highlight specific aspects of the problem and help interpret the primary and secondary indicators.

47. With a view to further improving the Laeken indicators, in June 2006 the Social Protection Committee adopted a new set of common indicators for social protection and social inclusion. This new set has streamlined the earlier indicators to give effect to the new monitoring framework for social protection and social inclusion in light of the common objectives set out in the Lisbon Summit, namely social cohesion, greater economic growth and good governance, transparency and involvement of stakeholders in the design, implementation and monitoring process. These new indicators for the overarching portfolios like social inclusion, pensions and long-term health care seek to be comprehensive, balanced and transparent for effective

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<sup>43</sup> Human and Income Poverty in OECD, Central & Eastern Europe and CIS, Human Development Report 2006, at <http://hdr.undp.org/hdr2006/statistics/indicators/27.html>.

monitoring. They would contain commonly agreed EU indicators, national indicators based on commonly agreed definitions and assumptions and information better understood in the national context.

48. The Belgian Resource Centre For the Fight Against Poverty has conducted extensive research to refine the existing poverty indicators by involving those working in the field to combat poverty. Professor Nicaise from the Centre has emphasized in his communications with the independent expert, that a participatory process to eliminate conditions of social exclusion has been successfully initiated in Belgium. Mr. Nicaise highlights the fact that many of the grass-roots organizations have agreed on a common method of operation based on principles of community development and poverty reduction and that dialogue groups, involving persons living in poverty and other stakeholders such as professionals, government agencies and other associations, have been set up.

49. Social protection systems are fairly well developed in the EU and they attempt to provide adequate coverage to at-risk-of poverty populations affected by unemployment, old age, ill health, inadequate income and parental responsibility. The member States are responsible for implementing and financing social protection programmes in their own countries. However, the EU coordinates these national social security schemes through EU legislation to ensure that persons may move freely within the region without adversely affecting their rights to social protection. It must be noted that the EU does not establish a common social security system for the region and allows the national security systems to operate on their own, so long as the basic principles of equality of treatment and non-discrimination are respected.

50. The EU has also been actively involved in the modernization of social protection systems in member countries. The Social Protection Committee established by the European Council after the Lisbon Summit in 2000, is mandated to work on policy challenges related to secure income, safe and sustainable pension systems, social inclusion and high quality health care. In March 2006, the European Council adopted a new framework for social inclusion and social protection which included the objectives of “ensuring access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, and fighting all forms of discrimination leading to exclusion”. In 2005-2006, member States of the EU adopted legislative measures to incorporate the goals of the Lisbon Summit into their social protection systems. In 2005, the European Commission adopted the new Social Agenda 2005-2010, which focuses on two priority areas of action, employment and equal opportunities for all. In the 2005 and 2006 Joint Report on Social Protection and Social Inclusion, EU members pledged to develop policies in seven key priority areas as identified in the NAPS adopted by member States, namely, improving labour-market participation, modernizing social protection systems, tackling educational disadvantages, eliminating child poverty, improving housing standards, improving access to quality services and fighting discrimination and integrating ethnic minorities and immigrants.

51. As of early 2006, 9.8 per cent of the EU-25<sup>44</sup> working-age adults were living in jobless households (i.e. where no member of the family was working). It was seen that families with children were worst affected by joblessness, and the share of children living in jobless households varied across member countries.<sup>45</sup>
52. Employment does not necessarily eliminate poverty, as can be seen in the case of the EU. In 2004, 7 per cent of working EU citizens (above 16 years of age) were at risk of poverty (after social transfers). The existence of working poverty in the EU raises serious questions about the quality of work and the commitment of the EU to poverty reduction. The definition of the working poor as devised by the United States Bureau of Labor Statistics and now widely accepted is “those persons who have devoted at least half of the year to labour market efforts, being either employed or in search of a job during that period, but who still live in poor families”.<sup>46</sup> Very limited research on working poverty has been conducted in the EU; France is the only member country to have initiated studies on the working poor. Working poverty should be studied both at the income and household levels to provide a more holistic understanding of the problem. A high rate of risk of poverty among self-employed persons was also recorded (15 per cent as of 2001). The EU has also studied the relationship between poor working conditions and working poverty to find ways to improve the quality of employment in the region.
53. Life expectancy in the EU-25 has increased over the last decade. Between 1995-2005, life expectancy for men has increased from 72.8 years to 75.8 years and for women from 79.7 years to 81.9 years. However, the healthy life years (HLY) indication at birth is much lower than the life expectancy. According to Eurostat data, in 2003, in the EU-15,<sup>47</sup> women were expected to live healthy lives for 66 years and men for 64.5 years. In 2004, the total health-care expenditure in the EU-25 was 7.4 per cent of GDP (including both public health care and private insurance), with some countries like the Netherlands and Sweden recording more than 8 per cent health expenditure and Latvia, Lithuania and Poland recording a little more than 3 per cent.
54. The challenges to achieving effective health care are common across the globe, the most significant, being the health of ageing populations. As with increasing life expectancy, the share of old and very old persons in the population has increased. Ageing also increases the pressures to provide better curative and rehabilitative health care, and most of the EU member countries are presently ill equipped to provide such long-term care. No EU country has a specific legislation on long-term care; France and the Czech Republic are among the only countries to have incorporated long-term care into their social assistance programmes. If costs relating to
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- <sup>44</sup> EU of 25 member States (2004 to 2006).
- <sup>45</sup> Eurostat Labour Force Survey, Spring 2006, at Joint Report on Social Protection and Social Inclusion, MEMO/07/66, Brussels, 19 February 2007, at <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/07/66&format=PDF&aged=0&language=EN&guiLanguage=en>.
- <sup>46</sup> US Bureau of Labor Statistics, A profile of the working poor, March 2002.
- <sup>47</sup> EU of 15 member States (1995 to 2004).

long-term care are not covered by insurance, a great financial burden would be placed on older patients, whose right of access to health care would be severely restricted. The EU also recognizes the health-care sector as a potential generator of employment opportunities for skilled workers. With a greater number of older persons in need of care, the demand for health-care professionals is on the rise, but interestingly, with more professionals reaching the retirement age, the supply in this sector is shrinking. The shrinking supply of health-care professionals, in turn, raises health-care expenditure, thereby adversely affecting the financial sustainability of health care. This problem can be tackled by devising better human resource strategies.

## CONCLUSIONS

55. This report has demonstrated how a human rights-based approach can apply both to the theoretical considerations in terms of developing a consensus on the core characteristics of extreme poverty, and to the practical application of policies for the eradication of extreme poverty. The applicability of the notion of extreme poverty within a human rights framework will now have to be examined with respect to different country experiences in carrying out their anti-poverty programmes. The independent expert proposes to do so systematically in his next report. While the context-specific nature of the problems will be brought out through this future exercise, the overall general conclusion is that a human rights approach is a distinct value added in dealing with extreme poverty.

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