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Human rights and extreme poverty

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

* The reason for the late submission of this report is to reflect the latest information.

Summary

In resolution 2004/23 the Commission on Human Rights decided to extend the mandate of the independent expert on extreme poverty. Arjun Sengupta (India) was appointed as the new mandate holder.

In this his first report to the Commission, the independent expert proposes a definition of poverty and extreme poverty; explores how this definition can be linked to human rights; and suggests a few concrete actions which could contribute to a more efficient eradication of poverty based on the realization of human rights.

The independent expert proposes the following concrete recommendations which would contribute to more effective poverty eradication strategies:

- Extreme poverty should be defined as a composite of income poverty, human development poverty and social exclusion, to encompass the notions of lack of basic security and capability deprivation. Such a definition would enable the development of both targeted and integrated policies for each component of this approach;
- A resolution or declaration would be necessary to characterize poverty as a violation or denial of human rights, with the corresponding obligations of both realizing human rights and eradicating poverty. In the absence of such a text, it should nevertheless be possible to go quite far in implementing measures for eradicating poverty based on the instrumental role of human rights;
- At the national level, actions would aim at fulfilling civil, political, economic, social and cultural rights to eradicate poverty and social exclusion. In particular, targeted and sustainable employment-generation strategies should be put in place as an efficient and direct measure to eradicate poverty. This calls for human rights-based national poverty reduction strategies;
- At the international level, a mechanism aimed at coordinating development cooperation activities of different Governments and agencies should be established. The role of the international financial institutions is underlined, including the possible amendment of their Articles of Agreement, the adoption of an open-ended funding system or a financing facility of callable funds for human rights-based poverty reduction strategies, the creation of an independent body to monitor each strategy, and the setting up of a window for financing plans for employment expansion of the poor, marginal and vulnerable.

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1 - 2	4
I. DEFINITION OF EXTREME POVERTY	3 - 22	4
II. EXTREME POVERTY AND HUMAN RIGHTS	23 - 35	9
III. NATIONAL ACTIONS	36 - 45	12
IV. INTERNATIONAL ACTIONS	46 - 52	15
V. CONCLUSIONS AND RECOMMENDATIONS	53	17

Introduction

1. For about a decade and through various mandates, the Commission on Human Rights and Sub-Commission on the Promotion and Protection of Human Rights have been considering the question of human rights and extreme poverty with a view to exploring their relationship. The complex problematic of qualifying extreme poverty as a deprivation of human rights to better comprehend the nature and causes of this condition and consequently to address it more effectively, has been at the heart of this scrutiny. In the present report, submitted pursuant to Commission resolution 2004/23, the independent expert proceeds with the consolidation of previous work before proposing concrete steps, to be adopted nationally and internationally, towards poverty eradication.

2. Building on previous approaches, the first section provides a definition of extreme poverty which would enable to focus on concrete measures to address the matter. The second section explores the linkage between the proposed definition and human rights, suggesting how the issues pertaining to poverty eradication can be meaningfully related to the fulfilment of human rights. The third section discusses possible national measures for poverty eradication from a human rights perspective while the fourth section concentrates on possible international actions towards the eradication of poverty as a fulfilment of human rights obligations within international cooperation. The final section contains the conclusions and recommendations.

I. THE DEFINITION OF EXTREME POVERTY

3. Poverty has been conventionally viewed as the lack of income or purchasing power to secure basic needs. This income poverty can be considered in absolute or relative terms, depending upon the understanding of the notion of basic needs. A simple absolutist interpretation would be to fix a minimum daily amount of calorie intake from food necessary for survival in a reasonably healthy condition, supplemented by some minimum amount of non-food items regarded as essential for a decent social existence. Once such items are specified, it is possible to determine a minimum expenditure line, and people who live below it are considered as poor. It should then be possible to compare poverty lines in space and time, the number of affected people from one country to another, and to track whether a country has become poorer or richer over time.

4. An alternative form of this absolutist interpretation of income poverty would be to agree, by convention, to a per capita level of expenditure as a poverty line, such as US\$ 1 a day or US\$ 2 a day, in terms of a comparable level of purchasing power. This approach would avoid the difficult exercise of determining the minimum calorie requirement of food and the essential nature of the minimum amount of non-food-item consumption. But this implies accepting a minimum commodity basket whose total value is covered by US\$ 1 or US\$ 2 per day per capita as the standard to determine the level of poverty in a country at a given time.

5. Income poverty can also be seen in a relativist way. Basic needs may be made dependent upon the sociocultural norms of a country so that even while a person's income covers the requirements of subsistence and essential consumption, she may be regarded as poor if her income does not allow access to goods and services required to satisfy sociocultural norms. A group of people may thus be regarded as poor in one country even if they are considered non-poor or relatively rich in terms of income poverty criteria in another country. For instance, a

group of people would be regarded as poor in the United States if their income does not permit access to, say, minimally decent housing, with heating and sanitation, or reasonable warm clothing or transport facilities between places of residence and work - even if their income would be more than sufficient to provide food items satisfying the calorie requirement and other essential consumer goods. Poverty would still be related to access to goods and services and therefore purchasing power or income, although the poverty line for some countries would be much higher than in other, poorer countries. An alternative definition of relative poverty can be provided more directly in terms of income distribution. For example, people belonging to the lowest 10 per cent in the scale of income distribution can be regarded, by social consensus, as relatively poor. In several European countries, the poverty line is set at half the average national income, making people living below this line relatively poor.

6. It is important to appreciate the characteristic features of this relative poverty. As soon as we move out of the absolutist notion of poverty, we enter into the realm of social relations and the identification of standards of social norms and access to goods and services satisfying such standards. The notion of social exclusion, to which we shall revert shortly, is an extension of this relativist concept of income poverty, except that it goes beyond the simple purchasing power for goods and services to cover other elements that are not captured by the concept of income.¹

7. The distinction between poverty and extreme poverty in the framework of income poverty would be essentially a question of degree or extent of the phenomenon. Since poverty is defined in terms of access to and availability of goods and services, extreme poverty would mean the command over a much smaller basket of goods and services and/or the prevalence of a longer duration of poverty. For instance, if US\$ 2 a day per capita income is the poverty line, \$1 per day can be regarded as the extreme poverty line. Or, if a group of people remains poor for generations, they can be described as suffering from chronic poverty and can be considered as extremely poor. In a relativist framework, people affected by chronic poverty over generations may suffer from a chronic rigidity of social norms because they are expected by society to behave in a particular manner or play a particular role, from which it is difficult for them to deviate - and which is different from the behaviour or roles of people with higher income and who constitute the social mainstream. People affected with chronic extreme poverty would thus tend to become socially excluded.

8. In the last two decades, though, the poverty discourse has moved much beyond the income criterion. People living in poverty are now considered as subject to extreme deprivation of "well-being". Income is only one constituent element of well-being, but more importantly, it plays an instrumental role determining the enjoyment of other elements constituting well-being. Indeed, income is regarded by many observers only as an instrumental variable. Conceptually, however, there is no reason why it cannot be considered as having both a constituent and an instrumental role. It may be seen as a proxy variable for all the good things in life constituting well-being, and it also can be considered as desirable in itself, representing power, status, security and command over resources - even when these are not actually exercised. In general, however, the instrumental role of income is more important. An increase in income may not be sufficient to improve the other constituent elements of well-being, but in most situations it is a necessary precondition.

9. In view of this, the development literature has considered directly targeting other elements of well-being, in addition to income growth, as development objectives. The logic of

this case has been cogently articulated by the United Nations Development Programme in its Human Development Reports² which, in order to represent a Human Development Index, formulated certain indicators of health, education, food, nutrition and other basic needs or requirements for a decent life, in addition to per capita income. Poverty could then be regarded as deprivation of human development, and extreme poverty as extreme or severe deprivation.

10. Amartya Sen provided the rationale for considering these human development indicators as components of the notion of well-being which, for him, means the ability of a person to lead a life that she values - a life that is equated to "being and doing".³ Mr. Sen has gone to great length to show that these ideas have deep roots in our intellectual tradition, from Aristotle to Adam Smith and many other later philosophers, economists and policy makers. He coined the term "capability" as the freedom or ability to lead a life of value in terms of what a person chooses to be or to do. Poverty, in that sense, can be defined as deprivation of that capability, and extreme poverty may be regarded as extreme deprivation of such capability.

11. The definition of poverty as capability deprivation is multidimensional, related to the freedoms that all individuals identify with their well-being. However, it has not yet been possible to devise a universally accepted measure for this capability. The closest has been the elaboration of human development indices. In the UNDP reports, several indicators have been identified as representing specific freedoms that are constitutive elements of capability. For example, indices of life expectancy or infant mortality have been described as indicators of the freedom to lead a healthy life. Similarly, literacy rates or school enrolment ratios represent freedom from ignorance and the lack of education. Clearly, such indicators do not reflect all the dimensions of any of these specific freedoms. Nor would any average or composite index or several of these indicators represent the full multidimensionality of the concept of capability. But all these do not detract from the appeal of the concept of capability, which focuses on the individual components of freedom as well-being. This highlights policies, measures and social arrangements necessary to achieve those freedoms according to the context. It also focuses on both processes and outcomes of changing social arrangements and policies, emphasizing both the constitutive and the instrumental role of freedoms. For example, the freedom to lead a healthy life is a constitutive element of a person's well-being. But it is also instrumental in allowing the person to enjoy other freedoms, including freedom of work or freedom of movement. Education is an essential element of a person's well-being and also allows the enjoyment of most other freedoms that a person values. Similarly, income can be recognized both in its constitutive and instrumental role, though in most cases, instrumentality is much more important than its intrinsic value.

12. Capability poverty then means deprivation of basic capabilities, regarded as a composite of income poverty and human development poverty. The level of indicators to be identified with poverty has to be decided by some form of consensus about what is meant by "basic", which would differ across countries. In assessing poverty, one has to look at the elements and the level of both income poverty and human development, and at their interdependence.

13. A third element of the notion of poverty would be social exclusion. Quite distinct from income poverty and human development poverty, it is an essential component of the notion of "well-being". It can be seen both in its constitutive role with intrinsic value and in its

instrumental role as influencing the enjoyment of other elements of well-being. Social exclusion affects the level of different human development indicators and, often, the level of income itself, just as income and human development would influence social exclusion.

14. The concept of social exclusion has been most extensively discussed in the French economic and social literature, and is central in policy discussions in most European countries.⁴ The French definition describes social exclusion as a disruption of social bonds which would enable the harmonious and orderly development of society. The European Foundation for the Improvement of Living and Working Conditions defined it in 1995 as “the process through which individuals or groups are wholly or partially excluded from full participation in the society within which they live”. The concept has also been applied in many other countries for policy-making and has been accommodating issues of vulnerability and insecurity in different contexts. The underlying theme has been the consideration of social exclusion as the opposite of social integration, where the poor, the unemployed, ethnic minorities and vulnerable groups have remained “outsiders” in the social hierarchy. The focus of analysis, whether in identifying problems or in proposing solutions, has been “relational”, that is, looking at how the different groups of individuals relate to each other, and how social mechanisms, institutions and agents interact to cause deprivation.

15. It is this relational aspect of social exclusion that brings a distinct value to the poverty discourse. Income and human development poverty focus on individuals while social exclusion focuses on social relationships. When an individual suffers from deprivation due to the lack of adequate income or because of a failure in achieving different forms of human development, her condition can be analysed in terms of income poverty or human development poverty. But when an individual suffers from deprivation because of belonging to a social group whose interaction with other groups causes that deprivation, the problems can be analysed more pertinently in terms of social exclusion. The relevant issues then concern the nature and causes of disruption of the social bonds, of the inability of the group to participate in society, of the discrimination they face, or of a denial of their rights within the existing legal system.

16. There would, of course, be major overlaps in the analyses of these causes and effects because income deprivation and human development deprivation all occur within a social context. But conceptually, these are distinct spheres of analysis, which have to be pursued in terms of their respective characteristics and domains. For instance, a deprivation like hunger, or being excluded from the ability to consume food, because the individual does not have adequate income or because of rising food prices owing to exogenous factors that reduce the real value of income, is best analysed in terms of income poverty. An individual’s inability to consume food because of poor health, lack of employment - or skills to avail herself of employment opportunities - all constitute human development failures. But when hunger is caused by famines where social organizations deny a group access to food, even when there is ample food available in the country, the problem is one of social exclusion. An instance of social exclusion, prevalent in many developing countries, is that of intra-family discrimination against women, which prevents equal access to food.

17. It is important to underline the specific nature of this social exclusion paradigm. Quite often, rhetorically, all forms of deprivation are described as “being excluded from” some particular facilities. There would be little gain in invoking this language unless the social relation aspects of the problem are identified and highlighted as distinct from other causes of

deprivation. It is, of course, a difficult exercise to identify these causes separately from each other due to their interdependence. Income and human development poverty can cause social exclusion just as social exclusion can cause income and human development poverty. But a careful analysis of the different causes, especially of deprivation, can be very enlightening and can lead to more effective methods of addressing the problems.

18. In the present and following reports of the expert, we shall use, as a working definition of poverty, a composite of income poverty, human development poverty and social exclusion. Extreme poverty would be regarded as an extreme deprivation, in terms of some consensual definitions of severity of deprivation, especially when all these elements of deprivation coexist. Chronic poverty applies to people suffering from income poverty and human development poverty as well as social exclusion for such a long time that it ossifies social relationships as the affected group is expected by others to remain deprived and socially excluded forever. To address this situation, one would then have to concentrate on measures to move away from social exclusion in terms of much more than solving problems of income and human development poverty - although both must receive close attention.

19. This view of extreme poverty does not contradict other definitions. The most comprehensive definition used in human rights reports on extreme poverty was based on Father Joseph Wresinski's concept of the lack of "basic security",⁵ combining the French approach of social exclusion in terms of lack of participation and rupture of social bonds, with other economic and social factors preventing the enjoyment of freedoms and human rights. In his final report submitted in 1996 (E/CN.4/Sub.2/1996/13), Leandro Despouy, the first Special Rapporteur on the issue of human rights and extreme poverty, summarized this concept: "the lack of basic security connotes the absence of one or more factors enabling individuals and families to assume basic responsibilities and to enjoy fundamental rights The lack of basic security leads to chronic poverty, when it simultaneously affects several aspects of peoples' lives, when it is prolonged and when it severely compromises peoples' chances of regaining their rights and of reassuming their responsibility in the foreseeable future" (annex III). The factors that "[enable] individuals and families to assume basic responsibilities" directly refer to access to income and human development. But they also include features that relate to social exclusion because basic responsibilities imply a social role linked to the enjoyment of rights that have to be recognized by society. The notion of chronic poverty highlights the social exclusion aspect of the lack of basic security "that severely compromises peoples' chances of regaining their rights". Nothing would be lost if this definition were to be recast in the form of a composite of income poverty, human development poverty and social exclusion. On the contrary, it would enormously improve the relevance of "the lack of basic security" in defining extreme poverty.

20. Capability poverty, which has now been broadly accepted in the human development literature, can also be regarded as a simultaneous deprivation of income, human development and social exclusion. In fact, Amartya Sen's definition of capability "as freedom to lead a life one has reasons to choose" is clearly multidimensional. It would combine income and human development as components of capability, both as constituent and as instrumental variables. They have their own intrinsic values but they also affect each other's levels. If all the elements constituting a "desirable life" could be specified as elements of human development, income may be left only with an instrumental role. But so long as that is not possible, income may stand for all those unspecified constitutive elements.

21. Since Mr. Sen's capability approach is basically individualistic, it has sometimes been alleged that the relational notion of social exclusion is not captured by the concept of deprivation of basic capabilities. But Mr. Sen has emphatically denied that, arguing that "we have good reasons to value not being excluded from social relations and in this sense social exclusion may be directly a part of capability poverty".⁶ He refers to Adam Smith's focus on the deprivation involved in "not being able to appear in public without shame" as capability deprivation in the form of social exclusion. Furthermore, being excluded from social relations can cause other deprivations, such as being excluded from being employed, causing impoverishment, and leading in turn to other deprivations. Mr. Sen argues that "social exclusion can thus be constitutively a part of capability deprivation as well as instrumentally a cause of capability failure".

22. For our purpose it is sufficient to indicate the congruence of these definitions and to recognize that the notion of extreme poverty as a combination of income poverty, human development poverty and social exclusion, in a serious and prolonged form, is consistent with the capability approach, which, as argued by Mr. Sen, covers all forms of deprivation as well as social exclusion. By identifying the three basic components (playing both constitutive and instrumental roles) in defining extreme poverty, one can focus on specific factors.

II. EXTREME POVERTY AND HUMAN RIGHTS

23. Before we relate our definition of extreme poverty to human rights, it may be useful to examine the value-added of such an endeavour. If a human rights analysis of extreme poverty creates a better understanding of its nature and improves the chance of removing it through more appropriate policy measures, there is a distinct advantage over considering it mainly as a socio-economic problem to be resolved through the usual policies. The human rights language is obviously appealing, for if poverty is considered as a violation of human rights, it could mobilize public action which itself may significantly contribute to the adoption of appropriate policies, especially by Governments in democratic countries. But to go beyond the rhetoric, it would be necessary to examine carefully the concept that the eradication of poverty is a human rights entitlement that entails enforceable obligations on identified duty bearers.

24. Indeed, the significance of recognizing a desirable objective as a human right is essentially the corresponding enforcement of obligations. Human rights are recognized as highly valuable objectives that all individuals in a society are inherently entitled to as human beings. Agents of society - individuals, institutions, corporations and Governments - representing the State all have obligations to enable individuals to enjoy their rights. The State is regarded as the primary duty bearer and is obliged to frame laws and mechanisms to influence the behaviour of other agents, with the obligation to protect, respect and fulfil human rights.

25. Human rights obligations are binding and mechanisms must be in place to enforce these obligations. The accountability of duty bearers is essential for the enforcement of human rights, through legislation or executive actions, by special bodies or committees, national or international, or even by peer pressure and public action, separately from the countries' judicial system.

26. The ratification of international human rights instruments implies that all States parties, as well as international institutions and other agencies, are obliged to protect, promote and fulfil

human rights. They may meet difficulties in doing so as many factors influence the realization of human rights, and the actions and policies of the agents - such as the States or the international institutions - may not invariably lead to the intended results. But a binding obligation means that these agents must be able to demonstrate that they made their best efforts to fulfil those rights by adopting policies and programmes, individually and in association with others, that have the maximum likelihood of achieving those results.

27. Clearly, if the eradication of extreme poverty could be described in terms of the realization of human rights, it would provide an enormous push towards international efforts in that direction. In order to do that, it will first be necessary to identify the nature of extreme poverty as directly related to the non-fulfilment of human rights. There is a considerable debate as to whether extreme poverty can be described as a violation of human rights, or whether it is a condition that is caused by human rights violations. These propositions differ not only in the nature of the characteristics that define extreme poverty, but also in the corresponding policy obligations and implications. If extreme poverty can be identified in itself as a violation of human rights, it becomes an obligation for both the concerned States and the international community to make the best efforts directly to remove it. The discussion would then effectively centre around what policies could have the maximum impact for poverty eradication and, if such policies are not adopted, which agencies are responsible and accountable, and what steps can be taken to compensate for less than “best efforts” made by the respective duty bearers. If, however, extreme poverty was associated with conditions created by the non-fulfilment of the various human rights, the obligations would turn on the realization of those rights. That may or may not be sufficient to eradicate extreme poverty.

28. In the latter proposition, human rights are taken in their instrumental role in creating a condition of well-being for the right holder, leading to the eradication of extreme poverty. In the former proposition, human rights are constituent elements of well-being, identified with the eradication of extreme poverty. 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. But if human rights were the constituent elements of well-being when there is no poverty, the corresponding obligations would cover all policies that are necessary to eradicate poverty.

29. The human rights community would therefore like to see extreme poverty as a violation or denial of human rights in the constitutive sense. But logically, the equivalence between these two concepts is not that straightforward. A concept or a category A is regarded as equivalent to another concept or category B if they satisfy the binary relation of “if and only if”, or satisfy both the necessary and sufficient conditions for fulfilling each other. The concepts of extreme poverty and that of violation or denial of human rights would be regarded as equivalent if a violation of human rights is sufficient to cause extreme poverty and if extreme poverty also entails a violation of human rights. This equivalence may not be established if extreme poverty can exist without a violation of human rights. It can, however, be demonstrated, both empirically and logically, that a violation or denial of human rights would cause and be instrumental to creating a state of extreme poverty. The fulfilment of these human rights can still be regarded as important, often overwhelmingly so, in eliminating poverty, and anti-poverty programmes can be designed in a rights-based manner, that is, in a way that fulfils human rights.

30. There is sometimes a debate between the relevance of the notions of violation and of denial, but they are not really relevant when human rights are seen in their instrumental role. However, if the fulfilment of human rights was considered as a constituent element of well-being without extreme poverty, the obligations resulting from the violation would be different from those resulting from denial. A violation would imply that the duty bearers - the State or international institutions - are deliberately following policies in pursuance of other objectives that result in extreme poverty. Their obligations may then call for some form of reprimand for the actions of the agents, and even for compensation. But if the denial of human rights is the cause, without imputing any motive or active role of the agents in creating this condition, their obligations would essentially call for a programme to promote and fulfil human rights and thereby facilitate the eradication of extreme poverty.

31. The definition of extreme poverty as a composite of income poverty, human development poverty and social exclusion would be fully compatible with Father Wresinski's definition of the lack of basic security. It also should be possible to demonstrate that the fulfilment of all human rights would facilitate the removal of basic insecurity and thereby the eradication of extreme poverty. It will, however, be difficult to establish the equivalence between the lack of basic insecurity and human rights. The notion of basic security may be plausibly seen as being entailed by the fulfilment of human rights but cannot be said to entail them in turn. People can enjoy basic security without enjoying all human rights. As a result, it may not be possible, given the present system of recognized human rights, to equate the lack of basic security or the prevalence of extreme poverty with the lack of human rights, in conformity with the demands of the human rights community. For that purpose, basic security should be recognized as a human right on its own, and one that can be achieved only through the pressure of international public opinion and through a due process of international legislation, a treaty, a covenant or a United Nations resolution based on consensus.

32. The case is similar with respect to capability deprivation. Extreme poverty as the composite of income poverty, human development poverty and social exclusion can be defined as extreme capability deprivation. But it may not be plausible to argue that capability deprivation is equivalent to human rights deprivation, unless the freedoms that are lacking when there is a deprivation of capabilities are identified with and claimed as human rights. In fact, both in the capability literature and in human rights discourse attempts have been made to establish that human rights are essentially claims to some fundamental freedoms to which all human beings are entitled. In that sense, capability deprivation can be seen as the lack of human rights. The only problem there is that the constituent freedoms have to be recognized as human rights through "due process". The international human rights law currently recognizes only a limited number of such freedoms as human rights, such as civil, political, economic, social and cultural rights. The space of capability is much broader, consisting of all kinds of freedoms that are necessary to let an individual lead a life of value. Basic capabilities that correspond to the notion of extreme poverty would cover only a subset of the total space of capabilities. If that subset is taken as consisting of freedoms currently recognized as rights, extreme poverty, or basic capability deprivation, can be identified with the lack of human rights.

33. In international human rights law, there is a well-recognized right to development, adopted through the Declaration of the Right to Development of 1986 and reiterated by international consensus in the Vienna Declaration and Programme of Action of 1993.⁷ The right to development is a right to a process of improvement of well-being when all fundamental

freedoms and human rights are realized. The condition of extreme poverty can then be considered as the denial or violation of that right for a group of people identified as poor by society. The right to development applies to all individuals and in particular to a subset of those individuals identified, by social consensus, as poor. A denial of that right makes them extremely poor, suffering simultaneously from income poverty, human development poverty and social exclusion.

34. Although the right to development has been recognized by United Nations resolutions, including at the Millennium Summit of 2000, there is still no consensus about the content of this right and the nature of corresponding obligations, and the debate on this subject is ongoing in the international community. However, if a consensus is reached, it could directly satisfy the demand for equating extreme poverty with the denial of human rights.

35. However, it is not necessary to wait for such a consensus before the international community may respond to the challenge of removing extreme poverty through programmes designed in terms of human rights. The realization of human rights - civil, political, economic, social and cultural rights - can be shown to be most important in the removal of income poverty, human development poverty and social exclusion and, therefore, in the eradication of extreme poverty. To design such programmes, it would be necessary to identify the obligations of different duty bearers and to work out national actions and international measures. As mentioned above, human rights entail obligations of States as the primary duty bearers, and of the international community - also consisting of States, including through international institutions. In the following two sections we shall discuss respectively national and international actions for the eradication of extreme poverty in terms of human rights obligations.

III. NATIONAL ACTIONS

36. There is a significant amount of literature about economic programmes that States can adopt to eradicate poverty, through direct governmental actions and by indirectly influencing other actors through incentives as well as disincentives. Similarly, there is a large literature on the removal of social exclusion, all of which would be relevant to deal with extreme poverty. We do not intend to survey the whole field, but instead, we would like to highlight specific human rights-related actions or measures that can lead to the eradication of extreme poverty. We need not elaborate on obvious direct connections between the realization of rights and the removal of specific elements of extreme poverty. For example, the realization of the rights to an adequate standard of living, food, social security or employment could be easily shown to directly impact on income poverty. Several other economic, social and cultural rights would directly contribute to the improvement of human development indicators. Civil and political rights, in combination with economic, social and cultural rights, may be shown to be most effective instruments to remove social exclusion. The work of the previous independent expert and special rapporteur on extreme poverty, as well as of the Committee on Economic, Social and Cultural Rights, are excellent references.

37. A most important requirement to conduct human rights policy is for all States that have ratified international human rights treaties to incorporate them in their domestic legal system.

38. Secondly, in addition to the elaboration of domestic legal systems, and especially when there is a substantial time lag in carrying it out, it is important that all States must establish their

own national human rights commission that can adjudicate, review and recommend appropriate remedial actions when human rights are violated, for individuals and groups to seek such actions. There is by now an internationally accepted procedure for setting up such national institutions and their work. There should be a universal campaign to set up such institutions all over the world, as well as a universal campaign to spread human rights education. Indeed, the effectiveness of any human rights practice depends not only on the identification of the obligations and the establishment of mechanisms to enforce these obligations, but also on the act of claiming these rights by individuals or groups through public actions and legal proceedings. Human rights education and awareness is a prerequisite. The international community has just completed a decade for human rights education and efforts have to be extended with greater vigor in all countries of the world, both developed and developing.

39. Thirdly, measures have to be taken in a planned and coordinated manner to promote a development programme that facilitates the realization of human rights. This has been spelt out in all the reports of the independent expert on the right to development. Human rights are supposed to be progressively realized, some more immediately than others, and the speed of progression would depend upon the flexibility of social, legal and economic institutions, and the availability of resources. Economic development in a very real sense implies reforming these institutions to adapt themselves to changing objectives accepted by societies and, in this case, to realizing human rights as well as expanding resources adequately. Indeed, resource and institutional constraints are mostly responsible for the pace of realization of human rights. A national programme for human rights development would therefore imply adopting a coordinated programme of actions to remove such constraints through increase in resources and institutional adjustments.

40. For the removal of extreme poverty, such programmes must be given a more specific focus. They should develop targeted actions to alleviate the conditions of people living in poverty or of the groups identified as most vulnerable, lacking essentially in income and human development and mostly excluded from participating in social interactions. Such programmes must focus on women. Many empirical studies have shown that allowing women to enjoy all their rights in full measures has a major impact on the enjoyment of these rights for the society as a whole. A national programme for realizing human rights must take these factors fully into account.

41. A programme of action for economic development targeting specific groups would require a quality of government behaviour that is not readily available in many countries. Dependence on the markets alone can seldom achieve these specific targets and may often accentuate the deprivation of vulnerable groups even further. This highlights the importance of reforms in the system of governance for implementing any effective programme for rights-based development. There is again an enormous literature on the subject of governance, which may have to be explored further in terms of human rights. Without improving the system of governance, it may be very difficult to ensure the success of human rights realization.

42. If a comprehensive national programme of economic development covering all sectors proves too time consuming and difficult, there is one programme that can have a substantial impact on eradicating extreme poverty in terms of reduction of income and human development poverty as well as social exclusion: it is employment generation, especially for the poorer sections residing in both rural and urban areas and mostly in the unorganized sectors.

Employment provides income and allows access to all human development facilities, which in turn increases labour productivity, contributing to employment sustainability - one major way of overcoming social exclusion. A person living on social security may be protected from income poverty, but may not be saved from the ignominy of social exclusion that accompanies not having a job. Even in industrial countries unemployment is the principal source of social exclusion. In most developing countries unemployment, open or disguised, is a source of extreme poverty in all its dimensions. If there is one programme of action that can be taken as the most effective way of dealing with extreme poverty, it is the creation of sustainable employment opportunities, especially for the vulnerable and marginalized groups. Often, these people cannot afford to be fully unemployed, for reasons of sheer survival. They therefore become engaged in precarious, sometimes hazardous, low-productive occupations with very little income, such as home-based work and self-employment, or in micro and small enterprises, scattered over the rural and urban landscape.

43. Employment generation programmes in the informal sector have to be based on three essential measures. Firstly, the targeted people must have access to training, which means that facilities have to be set up throughout the country to meet the requirements of specific, but low-grade and simple skills. The programme must be driven by market demand for skills, with public support to increase supply by training and vocational education. Secondly, the products of these semi- and low-skilled workers must have access to markets. Connectivity with markets depends on information, transport facilities and telecommunications. Connectivity with product markets has to be supplemented by access to input markets and essential services for engaging in production, such as access to power, water, shelter and sanitation, and then to finance. Expanding microfinance facilities, as have been instituted in many developing countries, together with reorienting the existing financial intermediary institutions of a country with adequate refinancing and appropriate risk-sharing, must be taken up in these countries supported by central banks and often by national and international financing institutions.

44. The sustainability of employment generation under these programmes will not only depend upon taking all these steps, but also on allowing the people concerned access eventually to higher-level skills, connectivity with larger markets of outputs and inputs and access to a larger scale of financing when production units employing such labour expand. In other words, plans to support employment expansion among the unorganized, poorer and low-skill segments of the population must evolve into a general employment strategy for the country as a whole if it is to reduce the overall level of unemployment.

45. A plan for employment generation consistent with human rights standards, respecting international labour rights and standards and removing the constraints induced by income poverty, human development poverty and social exclusion, will be universally relevant both in developed and developing countries. Which particular elements of such a plan should prevail would depend upon the economic and social situation of the country concerned. Sometimes, the issue of social exclusion will be more important to tackle than, say, providing a minimum level of income. In other instances, human development concerns such as appropriate health services or education facilities or proper housing may be a priority. In general, however, a programme for employment expansion may be the most effective way of tackling extreme poverty as a denial of human rights.

IV. INTERNATIONAL ACTIONS

46. International obligations for the realization of human rights take the form of international cooperation to which all States of the world pledged themselves under Articles 55 and 56 of the Charter of the United Nations and of obligations specified in various international conventions. The international community must create an environment that facilitates the realization of human rights. When States, as the primary duty bearers, adopt policies to realize human rights, international cooperation could provide aid and greater access to credit through debt restructuring and to international markets for exports and technology transfer. But even when national actions on the part of developing countries are not forthcoming, the international community has the obligation to maintain an environment of liberal trade and flows of capital and technology, helping the poorer countries to enhance their output and employment.

47. Agencies of the international community may be galvanized to adopt policies specifically aimed at removing income and human development poverty as well as social exclusion by following policies based on human rights standards of participation, accountability, transparency, equity and non-discrimination. The reorientation of their methods of operation is an imperative for all agencies, such as UNDP, the World Trade Organization, the World Health Organization (WHO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF) and the United Nations Industrial Development Organization (UNIDO). But most important would be the role of the World Bank and the International Monetary Fund (IMF), the two major international financial institutions, as well as other regional institutions that facilitate access to finance in these countries. In most reports on international cooperation, the need to increase the official development assistance of developed countries has been highlighted. It is important to reiterate that point in any poverty eradication programme. Without a conscious targeting of increased ODA, providing a support mechanism in case of market failure or malfunctioning, no such programme can succeed. However, there is a need to coordinate ODA with policies of international cooperation. A mechanism has to be created to manage development partnerships or development compacts, as elaborated in previous reports of the independent expert on the right to development.⁸ It may also be necessary to establish a special fund for the eradication of extreme poverty, in line with the Millennium Development Fund to supplement the mechanisms operating this area.

48. The most relevant mechanism today is that of the poverty reduction strategies followed by the IMF and the World Bank. Instead of setting up a new mechanism, it is possible to suggest measures to improve that facility and to aim precisely at the eradication of poverty in the framework of the realization of human rights. Three such measures may have to be adopted immediately in that direction.

49. First, as suggested by the former independent expert in her last report (E/CN.4/2004/43), the Articles of Agreement of IMF and the World Bank may be amended by adding the phrase "while respecting human rights, particularly economic and social rights" to article I (ii) and article IV, section 1 (i), in the case of the IMF, and to article II (iii) and article III, section 5 (b), for the World Bank. These amendments are necessary to move away from the so-called inability of these institutions to focus on human rights objectives in carrying out their operations. Although it is plausible to argue that since the member States that set up these institutions are bound by their obligations to international treaties and covenants, the institutions are equally bound by them. However, as the operations of these institutions are guided by their Articles of

Agreement, which at the present time do not contain any explicit reference to human rights obligations, it may be more straightforward and useful to amend those articles to include such provisions. The human rights community, therefore, should take up the recommendations of Ms. Lizin and press upon Governments to follow them in the boards of the respective institutions.

50. Secondly, it would be desirable to provide for an open-ended financing of poverty reduction strategies. This means that if these strategies are implemented by different countries in a manner that facilitates the realization of human rights and thus contributes to the eradication of poverty, their programmes of action must not be allowed to be disrupted due to a lack of international funds. Currently, the IMF and the World Bank have ceilings on resources available for any programmes to implement these strategies. These institutions sometimes promise that they will catalyze more funds if necessary, but in practice the programmes are dovetailed with the availability of resources. Attempts should be made to remove these restrictions, first by allowing these institutions to recommend specific improvements in the trade, debt and technology transfer environments as measures of international cooperation. Secondly, they should be able to draw from a larger source of potential financial flows from developed countries and provide additional resources both to improve cooperation and to support countries implementing rights-based programmes. That source could be a contingency financing facility, created by a commitment by all developed countries to raise their ODA to the level of 0.7 per cent of GDP. Such a contingency facility, based on callable capital, would not involve any actual contribution of finance by the donor countries over and above their current levels until they are called upon to contribute to an additional requirement for finance by the countries implementing the strategy, as determined by the Bank and the Fund. It is possible to conceive of this facility as being in addition to the Millennium Development Fund or as a part of it, but it should be explicitly aimed at servicing the poverty reduction strategy implemented in a rights-based manner.

51. The third suggestion to strengthen the poverty reduction strategy process as a means of implementing human rights would be to set up in each recipient country an independent monitoring authority consisting of three national and three international experts of renowned ability, completely independent and appointed by the international financial institutions in consultation with the national authorities. The essential element of a human rights operation is the mechanism of monitoring and the setting up of accountability, as well as recommending remedial actions. Every party affected by the poverty reduction programmes in a country should have the option of appealing to these authorities, who should hold regular and periodic meetings to monitor the programmes and hear such appeals, and determine the responsibilities for lapses in performance and make appropriate recommendations. Even if those recommendations were not binding, the fact that the operation of the poverty reduction strategy process would be subject to independent monitoring and scrutiny would improve the prospects for the implementation of the strategy, enhance its appeal in the implementing country and increase the likelihood of greater engagement by the donor countries. What is more, such a monitoring mechanism would be entirely in accordance with the principles of human rights obligations.

52. Finally, if the suggestion made in the earlier section on national action to institute a national plan for expanding employment opportunities for the poor and vulnerable groups in the unorganized sector is accepted, it would be appropriate to recommend that both the Fund and the Bank create an additional window of finance supporting such employment expansion

programmes. Creating skills, establishing market connectivity, expanding infrastructure and services, and then refinancing and sharing the risk of financing micro and small enterprises would all require additional finance. The countries concerned may or may not be able to mobilize those resources by themselves. A special financing facility to support these programmes that explicitly stressed that they must be carried out in a manner consistent with human rights standards would go a long way towards their implementation.

V. CONCLUSIONS AND RECOMMENDATIONS

53. We can summarize the main conclusions and recommendations of this report as follows:

(a) First, defining extreme poverty in terms of a composite of income poverty, human development poverty and social exclusion would capture the different definitions provided in previous reports of human rights experts and in the literature of economic and social development. It would incorporate in a comprehensive manner the notions of the lack of basic security, capability deprivation and social exclusion and would be a basis for policies that would address each of these components separately as well as in an integrated manner. Such an approach builds on the multidimensionality of the concept and takes account of the interdependence of different constitutive elements;

(b) It may be difficult to argue plausibly and logically that extreme poverty is equivalent to a violation of human rights; it would be more straightforward to establish that a denial or violation of human rights would create conditions for the spread of extreme poverty. It may, however, be desirable to regard extreme poverty as a denial or violation of human rights so that the corresponding obligations are not limited only to the fulfilment of human rights, but extend also to the actual eradication of poverty. For that purpose it may be necessary to establish that linkage through a resolution or a declaration based on international consensus. In any case, it should be possible to go quite far in implementing measures for eradicating poverty, based on the instrumental role of human rights;

(c) Human rights entail corresponding obligations both within the scope of national action and international cooperation. A programme to adopt such actions with a view to fulfilling human rights, more specifically of the vulnerable and marginal groups of people living in poverty, and aimed at eradicating extreme poverty can be adopted both at the national and international levels. National actions would aim directly at fulfilling civil, political, economic, social and cultural rights to remove income and human development poverty as well as social exclusion. They would build on a national development programme for the growth of resources and for reforms of the social, technological and legal institutions, specifically benefiting groups suffering from extreme poverty;

(d) One plan of action that might be most relevant in dealing with extreme poverty, including social exclusion, would be employment creation for the poor, vulnerable and marginalized groups, particularly in the unorganized sector. Such a programme should rely on establishing connectivity with markets, skills and finance. To make the programme sustainable, it should be allowed to expand to include eventually the unemployed labour force of the country as a whole;

(e) At the international level, an appropriate mechanism should be set up to coordinate development cooperation activities of different Governments and agencies. This may take the form of working out programmes of development partnership or following the model of development compacts;

(f) Within the existing mechanisms, it would be useful to concentrate on the operations of the World Bank and the IMF and their implementation of poverty reduction strategies explicitly in the form of human rights fulfilment. To this end, a first requirement may be the amendment of the Articles of Agreement of the World Bank and the IMF, as suggested by the former independent expert;

(g) It may be necessary to make the funding of poverty reduction strategies open-ended, by allowing the international financial institutions to recommend the effective expansion of cooperation in the fields of trade, debt and technology transfer, and additional funding, when countries successfully conduct their strategies in a rights-based manner. In addition, it may be useful to set up a financing facility of callable funds created on the basis of commitments by all countries to contribute 0.7 per cent of their GDP. The funds would only be available once the Bank and the Fund had determined that the poverty reduction strategy had been implemented in accordance with human rights standards;

(h) In addition, for each implementing country, an independent body could be set up, consisting of independent experts, to monitor the programmes and to adjudicate on appeals by all the concerned parties, focusing on the responsibilities and recommending remedial actions. Even if those recommendations are not binding, the exercise would facilitate the implementation of the programme;

(i) Finally, a special window could be created within the Bank and the Fund for financing plans by developing countries to expand employment opportunities for the poor, the marginal and vulnerable in the unorganized sector. This would be the international counterpart of the national action described above.

Notes

¹ See Tony Atkinson, "Social exclusion, poverty and unemployment", presidential address to Section F of the British Association for the Advancement of Science, Annual Meeting, University of Leeds, September 1997 and Amartya Sen, "Social exclusion: concept, application, and scrutiny on 'Social Exclusion'", Social Development Papers No. 1, Asian Development Bank, June 2000.

² See in particular, UNDP, Human Development Report 2000: Human Rights and Human Development.

³ Amartya Sen, Commodities and Capabilities, Oxford University Press, August 1999.

⁴ Draft paper prepared by Arjan de Haan and Amaresh Dubey for the international conference “Staying Poor: Chronic Poverty and Development Policy”, Manchester, United Kingdom, April 2003.

⁵ Father Wresinski’s statement before the forty-third session of the Commission on Human Rights, Geneva, 20 February 1987.

⁶ See Amartya Sen, *op. cit.* at note 1.

⁷ See the reports of the independent expert on the right to development, available at <http://www.unhchr.ch/html/menu2/7/b/mdev.htm>.

⁸ See, for example, the third report of the independent expert on the right to development (E/CN.4/2001/WG.18/2).
