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Seminar: “Extreme Poverty and Human Rights”

Comments for seminar - Peter Townsend (first draft only)

Arjun Sengupta presents a multi-dimensional paper that invites extensive comment – and agreement.¹ My comments are concentrated on three key themes:

1. The operational definition of extreme poverty
2. The operational definition of extreme privilege
3. Evidence of OECD countries’ heavy investment in social security – a fundamental human right to be extended to low-income countries to defeat poverty.

I shall suggest that the pursuit of all three within the analytical framework of the human rights instruments will more quickly help to resolve the world problem of extreme poverty..

1. **Extreme poverty.** By distinguishing between “absolute” or “extreme” and “overall” poverty the World Summit for Social Development at Copenhagen in 1995 was an important breakthrough. 117 countries signed the agreement, which included many links to human rights. Social scientists developed the distinction in operational form. One well-known example is the research project measuring multiple deprivation among children conducted by a joint Bristol-LSE team, reporting in 2003.² A summary was published in the following year.³ The report was extended for the 2005 annual UNICEF Report *The State of the World’s Children 2005*.⁴

To measure “absolute” or extreme poverty among children, a threshold measures of severe deprivation of basic human need was defined for:

- food
- safe drinking water
- sanitation facilities
- health
- shelter
- education
- information
- access to services

A taxonomy of severe deprivation is required, since a reliable taxonomy is a prerequisite for any scientific measurement. In the research, the threshold measures for severe deprivation, as far as is practicable, conform to internationally agreed standards and conventions. Theoretically, ‘severe deprivation of basic human need’ was defined as those circumstances that are highly likely to have serious adverse consequences for the health, well-being and development of children. Severe deprivations are causally related to ‘poor’ developmental outcomes both long and short term. Figure 1 shows the idealised operational definitions of deprivation for the eight criteria in the World Summit definition of absolute poverty (from Gordon *et al*, 2001).

¹ Sengupta A. (2006), *Human Rights and Extreme Poverty*, Report of the independent expert, Commission on Human Rights.

² Gordon D., Nandy S., Pantazis C., Pemberton S. and Townsend P. (2002) *The Distribution of Child Poverty in the Developing World*, Townsend Centre for International Poverty Research, University of Bristol.

³ Gordon D. et al (2003), *Child Poverty in the Developing World*, Bristol, Policy Press.

⁴ UNICEF (2005) *The State of the World’s Children 2005*, New York, UNICEF.

Figure 1: Operational definitions of deprivation for children – classifying by degree

Deprivation	Mild	Moderate	Severe	Extreme
Food	Bland diet of poor nutritional value	Going hungry on occasion	Malnutrition	Starvation
Safe drinking water	Not having enough water on occasion due to lack of sufficient money	No access to water in dwelling but communal piped water available within 200 meters of dwelling or less than 15 minutes walk away	Long walk to water source (more than 200 meters or longer than 15 minutes). Unsafe drinking water (e.g. open water)	No access to water
Sanitation facilities	Having to share facilities with another household	Sanitation facilities outside dwelling	No sanitation facilities in or near dwelling	No access to sanitation facilities
Health	Occasional lack of access to medical care due to insufficient money	Inadequate medical care	No immunisation against diseases. Only limited non-professional medical care available when sick	No medical care
Shelter	Dwelling in poor repair. More than 1 person per room	Few facilities in dwelling, lack of heating, structural problems. More than 3 people per room	No facilities in house, non-permanent structure, no privacy, no flooring, just one or two rooms. More than 5 persons per room	Roofless – no shelter
Education	Inadequate teaching due to lack of resources	Unable to attend secondary but can attend primary education	Child is 7 or older and has received no primary or secondary education	Prevented from learning due to persecution and prejudice
Information	Can't afford newspapers or books	No television but can afford a radio	No access to radio, television or books or newspapers	Prevented from gaining access to information by government, etc.
Basic Social Services	Health and education facilities available but occasionally of low standard	Inadequate Health and education facilities near by (e.g. less than 1 hour travel)	Limited health and education facilities a days travel away	No access to health or education facilities

The most appropriate available data which could be used to operationalise the measurement of child poverty in developing countries were the DHS and similar surveys in China (China Health and Nutrition Surveys) (see Gordon *et al*, 2001, for discussion). High quality household and individual survey data were available from 46 countries, collected within the last 10 years (and, for most countries, much more recently – see Appendix I of the 2003 report for details). Detailed face-to-face interview data were available for almost 500,000 households, of which over 380,000 were households with children (Table 1). The total number of children in this aggregated sample was over 1.1 million (approximately one in every 1,500 children in the developing world) and the information about the children’s lives was reported by their mothers or main carers. This is probably the largest and most accurate survey sample of children ever assembled. It is a particularly good sample of African children (with interview data on one child in every 650) although the number of children in the East Asian and Pacific sample (123,400) represents a lower sampling fraction (one child in every 4,500). By the time of UNICEF’s report in 2005 a total of 2.5 million children could be included in the sample. With the addition of an increasing number of Multiple Indicator Cluster Surveys (MICS) applied by UNICEF research workers in different countries the representation of deprivation was also much more up-to-date.⁵

Table 1: Summary sample size details, by region

Region	Sample size (All HH)	Number of HH with children	Number of children in sample	Number of children under 18 (UN figures, 1998)
Latin America & Caribbean	95,963	71,863	189,709	193,482,000
Middle East North Africa	34,980	28,432	106,280	154,037,000
South Asia	116,443	95,960	276,609	603,761,000
East Asia & Pacific	62,773	49,858	123,400	559,615,000
Sub-Saharan Africa	178,056	142,494	487,885	317,860,000
World total	488,215	388,607	1,183,883	1,828,755,000

It was not possible to use the survey data to operationalise the idealised definitions of severe deprivation of basic human need that had been established prior to the data analysis phase of this research (as in Table 1 above). Some compromise always has to be made when dealing with real survey data. However, the severe deprivation measures that were available are conceptually very close to our idealised measures. The measures used were:

- 1) **Severe Food Deprivation**– children whose heights and weights for their age were more than three Standard Deviations below the median of the international reference population that is, severe anthropometric failure.
- 2) **Severe Water Deprivation** - children who only had access to surface water (e.g. rivers) for drinking or who lived in households where the nearest source of water was more than 15 minutes away (indicators of severe deprivation of water quality or quantity).
- 3) **Severe Deprivation of Sanitation Facilities** – children who had no access to a toilet of any kind in the vicinity of their dwelling, that is, no private or communal toilets or latrines.
- 4) **Severe Health Deprivation** – children who had not been immunised against any diseases or young children who had a recent illness involving diarrhoea and had not received any medical advice or treatment.
- 5) **Severe Shelter Deprivation** – children in dwellings with more than five people per room (severe overcrowding) or with no flooring material (e.g. a mud floor).

⁵ See Minujin A., Delamonica E. and Komarecki M. eds. (2006), *Human Rights and Social Policies for Children and Women: The Multiple Indicator cluster Survey (MICS) in Practice*, New York, The New School University with support from UNICEF.

- 6) **Severe Education Deprivation** – children aged between 7 and 18 who had never been to school and were not currently attending school (no professional education of any kind).
- 7) **Severe Information Deprivation** – children aged between 3 and 18 with no access to, radio, television, telephone or newspapers at home.
- 8) **Severe Deprivation of Access to Basic Services** – children living 20 kilometres or more from any type of school or 50 kilometres or more from any medical facility with doctors. Unfortunately, this kind of information was only available for a few countries so it has not been possible to construct accurate regional estimates of severe deprivation of access to basic services.

Children who suffer from these levels of severe deprivation are very likely to be living in absolute poverty. However, while the cause of severe deprivation of basic human need is invariably a result of lack of resources/income, there will also be some children who are in this situation due to discrimination (e.g. girls suffering severe education deprivation) or due to disease (severe malnutrition can be caused by some diseases). For this reason, it was assumed that a child is living in absolute poverty if he or she suffers from two or more severe deprivations of basic human need as defined above. Similarly, a household with children was defined as living in absolute poverty if the children in that household suffer from two or more severe deprivations of basic human need.

The main practical criteria used to select these measures of severe deprivations were:

- data availability for a large number of children
- the definitions must be consistent with international norms and agreements

The purpose of this study was to measure children's living conditions that were so severely deprived that they were indicative of absolute poverty. Thus, the measures used are typically indicative of much more severe deprivation than the indicators frequently published by international organisations. For example, 'no schooling' instead of 'non-completion of primary school', 'no sanitation facilities' instead of 'unimproved sanitation facilities', 'no immunisations of any kind' instead of 'incomplete immunisation against common diseases', 'malnutrition measured as anthropometric failure below 3 standard deviations from the reference population median' instead of 'below 2 standard deviations from the reference median', etc. We have, in the tradition of Rowntree (1901), tried to err on the side of caution in defining these indicators of absolute poverty in such severe terms that few would question that these living conditions were unacceptable. Details of how each severe deprivation was measured are discussed below.

2. Extreme Privilege

Sengupta calls attention to a "well-designed income redistribution programme" (Sengupta, 2007, p. 9). The Human Rights framework of analysis is holistic and includes entire populations, activities and resources. Trends in the distribution of both income and wealth recently demonstrate growing inequality (See Atkinson, Chapter 2, and also Townsend, pp. 8-9, in Townsend and Gordon, 2003; and, for the UK, Dorling et al, 2007, p. 10). Such polarisation is relevant to any assessment of the practicability of reducing extreme poverty.

For the UK Scott (1994) uses a framework of citizenship to define wealth. Following work on the deprivation of resources as a measure of inability to participate as a full citizen of society he urged the identification of a wealth line to correspond to a poverty line. This would mark "a point in the distribution of resources at which the possibility of enjoying special benefits and advantages of a private sort escalates disproportionately to any increase in resources" Scott, 1994, p.152). While the poor were deprived of participating in the roles of citizenship the wealthy found it unnecessary to observe public norms of behaviour. Some research wealth in the US have distinguished between net worth or marketable wealth and financial wealth – reflecting what can be liquidated at short notice – not ordinarily equity in owner-occupied housing (Wolff, 1998). Dorling and his research team have

gone on to distinguish between the “asset wealthy” and the “exclusive wealthy,² – meaning a resource level so high “that people are able to exclude themselves from participating in the norms of society” (Dorling et al, p. 16). It is assumed that the exclusive wealthy are a subset of the asset wealthy. For 2001 their numbers were estimated at 5.6 per cent (Ibid p. 20). Using a human rights framework of analysis, it is appropriate that the whole distribution is considered from poverty to wealth, and identification of the “extreme poor” but also of the “extreme” or “exclusive” privileged are, like the poor and the privileged, at either end of a logical continuum.

3. Lessons of the success of OECD social security systems.

Work from a human rights perspective on the operational threshold definitions of extreme poverty and extreme privilege can be matched by related work on the fulfilment of the human rights to social security and an adequate standard of living, as depicted in Figure 2.

Figure 2: The rights to social security and an adequate standard of living

Authority	Social security	Adequate living standard
Universal Declaration of Human Rights (1948)	Article 22 — Everyone, as a member of society, has the right to social security and is entitled to realisation, through national effort and international co-operation and in accordance with the organisation and resources of each state, of the economic, social and cultural rights indispensable for their dignity and the free development of his personality.	Article 25(1) — Everyone has the right to a standard of living adequate for the health and wellbeing of their family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond their control.
International Covenant on Economic, Social and Cultural Rights (1966 – coming into force 1976)	Article 9 — The States Parties to the present Covenant recognise the right of everyone to social security, including social insurance.	Article 11 (1) — The States Parties to the present Covenant recognise the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions.
Convention on the Rights of the Child (1989)	Article 26(l) — States parties shall recognise for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realisation of this right in accordance with their national law.	Article 27 (l) — States parties recognise the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development. Article 27 (3) — ... and shall in case of need provide material assistance and support programmes, particularly with regard to nutrition, clothing and housing.

A new report sponsored by the International Labour Office, DFID and GTZ suggests that the policies of the international financial agencies for the developing countries contribute to the growing world divide. The introduction and “progressive realisation”⁶ of the principal forms of social security have been obstructed. The poorest countries do not just have to be helped to put social security weakly on the map. They need to establish major universal and group schemes and in the evolution in recent decades of international aid policies this has been

⁶ Sengupta, p. 17.

ignored. Low-income countries have been left far behind and the gap between them and the richest countries continues to grow.

The biggest missing factor which would enable poor countries to massively reduce poverty is social security. In all 30 OECD countries social security systems have been strongly developed, averaging one-eighth, or 12% GDP, and they continue to reduce poverty in those countries from 45% to 15% - or by two-thirds. In low-income countries such systems barely exist – accounting for less than 1% or 2%GDP – for example India 1.5%GDP (Townsend, for the ILO, p. 10; and see Tables 2 and 3.

Table 2 Total public social security expenditure as % GDP in selected high-, middling- and low-spending countries

Countries	Total
<i>High-spending</i>	
France	17.9
Germany	15.6
UK	14.2
<i>Middling</i>	
Australia	9.9
Japan	9.1
Chile	8.2
United States	7.9
<i>Low</i>	
Ghana	2.1
China	1.5
India	1.5
Indonesia	1.1
Mexico	1.1
Kenya	0.3
Zambia	0.3

Source: High- and middle-spending countries . Low-spending countries – data adapted from ILO (2001), *Social Security: A New Consensus*, Geneva, ILO, Statistical Annex. The data for the low-income countries apply to 1996 (1995-China) and exclude health care (then counted in “social security expenditure”).

Table 3 Percentage of population no longer in poverty – post-social compared with pre-social transfers, by country and welfare regime (1999)

Welfare regime/ country	Percent of total population no longer in poverty	Percent of total population in poverty after transfers	Mean percent in poverty (grouped by regime)
<u>Social Democratic/ Nordic</u>			
Denmark	30.3	10.8	11.4
Sweden	35.5	10.2	
Finland	33.1	13.3	
Netherlands	31.2	11.4	
<u>Corporatist</u>			
Austria	35.6	14.2	13.8
Germany	29.6	11.8	
France	32.8	15.9	
Belgium	32.0	13.9	
Luxembourg	31.8	13.3	
<u>Liberal/ residual</u>			
UK	25.0	18.7	18.3
Ireland	23.4	17.9	
<u>South European</u>			
Italy	27.5	18.5	19.6
Spain	28.9	17.3	
Greece	25.5	21.9	
Portugal	25.9	20.6	
EE12	28.6	16.5	
EE15	29.8	15.5	

Source: Derived from Papatheodorou and Petmesidou, 2004.

The report forms part of an international programme to accelerate the delivery of key UN Millenium Development Goals. The three organisations are concerned at the lack of progress in reducing severe poverty and are reviewing neglected and failed policies.

The findings from the ILO report include the following:

1. Substantial resources for the establishment of social security in low-income countries must come, in the first instance, from the international agencies, powerful countries and Trans National Corporations that benefit hugely from their dominance in the global market. The simplest and most direct course would be for international taxation and employer contributions to do the job done for many years for the populations in the OECD countries by national taxation and employer contributions.
2. In more than three decades economic development policies advocated by the international financial agencies and leading governments have not followed models found to be successful in the rich countries. Proposals to establish and invigorate universal public social services and social security payments came to be treated as aberrations of the past rather than as institutions necessary to the future.
3. Attempts to restrain and roll back social security were made with too little understanding of the accumulating historical impetus in all OECD countries of its elaborate institutions and multiple functions, and of the growing acceptance internationally of human rights, including the rights to social security, including social insurance, and the right to an adequate standard of living.
4. The evidence adduced can be summarised as follows:
 - In aiming to reduce poverty, establish basic social services and meet individual adversity, OECD countries have come to spend an average of one eighth (12 per cent) of their GDP on public social security cash benefits, and altogether more than a fifth (20 per cent) on public social services and social security, excluding education. This has been, and remains, an emphatic endorsement of redistribution of national income in the social good;
 - All member countries of the OECD have substantially lower rates of poverty as a consequence, whatever type of system or level of redistribution individual governments, including the US and the UK, has been introduced;
 - Countries with higher levels of spending on social security have lower rates of poverty and inequality than those with lower levels of spending;
 - During their “development” from scarcity to prosperity during industrialisation American and European countries steadily increased the %GDP invested annually in their universal social services and social security;
 - With fluctuations their economies have continued to grow during 2000-2007;
 - Evidence that lower spending by OECD governments on social services and social security promotes higher economic growth is not conclusive. On the contrary, for selected groups of high- and low-spending member countries, and for selected recent historical periods of ten years or more, the reverse can be demonstrated;
 - The OECD evidence shows that substantial social security spending, ie, more than one-eighth of GDP, is often consistent with above-average economic growth;
 - Despite pressures to reduce social spending the proportion of national income, i.e. %GDP, devoted to public social expenditure, and social protection or social security in particular has continued to increase in the OECD as a whole in recent years, though more slowly;

Such historically constructed investments in redistribution dwarf the percentages of national income that the developing countries have been able to commit to the public social services and to social security (see Table 3) and pose critical questions about discrimination on the part of donor

countries, agencies and corporations. The international agencies, TNC's and the richest governments are today part of the cause of mass poverty in the world - as surely as they also possess the means of providing most of the answer;

- Comprehensive social insurance and tax-financed benefit schemes for entire social groups account for between three-fifths and two-thirds of the costs of schemes in the OECD to redistribute income to reduce poverty. And for the three principal social groups who benefit – children, disabled and elderly – these can therefore be regarded as the “bedrock” measures in social security systems everywhere;
- Means-tested social assistance and tax credit schemes account for around one-third of OECD social security costs and have well-testified social and administrative disadvantages. Social scientists have shown that the more conditional and even punitive forms of selective social assistance are counter-productive for social cohesion, well-being and productivity;
- Therefore social security schemes involving entire populations and categories of the population like young children and disabled people in developing countries, ie social insurance and tax-financed “universal” group schemes, deserve priority, even if for reasons of limited resources they have to be phased in by stages as anticipated in the agreed human rights notion of “progressive realisation”;
- Developing countries experience conditions very different from those that applied in the 19th C and 20th C to the original members of the OECD. Countries like Germany, England and the United States were not subject to the domination of much more powerful external governments, agencies and corporations. International taxation and not just national taxation to finance social security in developing countries is therefore at issue;

International social security is coming to stay: 1) In global conditions contribution-based and group tax-based systems of social security in low-income countries will have to be brought step by step into greater conformity with systems in the industrialised countries; 2) The current influence of the TNCs and big powers over local economies and populations in the global market has to be matched by international tax-revenue and employer contributions raised for particular groups in those countries.

The report traces the divergent historical experience in “developed” and “developing” countries of putting into practice the fundamental rights to social security, including social insurance, and an “adequate” standard of living. As shown in Figure 1 above the rights are enshrined in Articles 22 and 25 of the Universal Declaration of Human Rights; 9 and 11 of the International Covenant on Economic, Social and Cultural Rights; and 26 and 27 of the Convention on the Rights of the Child.

The right to social security was agreed after two centuries of extraordinary struggle. Working people combined in collective interest to meet their own and others' needs and at the same time to contribute creatively to economic development. Contributory collective self-help schemes were eventually replaced by universal social insurance and group benefit schemes. These two types of benefit – long-established in OECD countries - are “universalistic” measures; they are not “selective” or discriminatory on test of means.

Human rights to social security and an adequate standard of living have today put these ideas on the international stage. Mass poverty can be reduced by universalistic measures that simultaneously improve social relationships. Thus, social security systems help coalitions to be built between groups in society of a more varied kind than those representing familiar ethnic or religious divisions. Again, social security systems have created and continue to create cross-cutting and three generational social identities and have moderated multiple forms of discrimination and social inequality. Nationalism re-interpreted as universalism re-inforces good multi-cultural and multi-generational values that promote stability.

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