

Charting progress

Much ado...

AT THE MILLENNIUM SUMMIT, world leaders promised to halve extreme poverty by 2015. This established a benchmark for measuring gains toward poverty eradication, a commitment taken in 1995 at the Social Summit with no target date attached. These meetings failed, however, to provide a common definition of "poverty", making it difficult to judge progress.

Poverty is frequently defined in terms of income... or the lack of it. Yet for Nobel Prize-winning economist Amartya Sen, "poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes."¹ By such measure, if the people of a country are healthier, better educated, and have access to public services without discrimination, that country is making progress in reducing poverty.

Social Watch coalitions in 50 countries have been tracking the evolution of indicators that measure poverty in Sen's sense and assessing the effectiveness of social policies in achieving set goals. This Social Watch 2001 Report is a product of this work.

The charts included in this report show how countries stand on key social indicators and how much progress they have made toward their goals. The story they tell is not a happy one. The latest statistics (1999) show that most countries are still far from achieving goals set for 2000. The chart on progress and setbacks shows visible improvements in social development indicators in the last decade, but momentum was slowed by the financial crisis. Many countries show no progress at all and some are worse off than they were ten years ago.

We are including two world maps in this report indicating the extent of inequity by showing distribution of the world's income. The income maps show annual gross domestic product (GDP, everything an economy produces in goods and services in a year) as volumes, with base surface proportional to population (the larger the base, the more people in the country) and height proportional to per capita income. The first map shows disparities among countries. The second shows distribution of income within some countries. Some Southern countries show a disproportionate amount of riches in the top 10% of the population. Others show fewer disparities than Sweden... although they have very little wealth to distribute!

Do you live in poverty?

More and more experts and countries want "a rights-based approach to development". Under international law, human rights are not limited to civil and political liberties (such as freedom of expression or the right not be jailed without due process). They also include social, economic and cultural rights, all of which have been defined as "indivisible" by a summit of world leaders in Vienna in 1996. In social sciences, these rights are called "basic needs" and many countries assess their progress toward reducing poverty by counting the number of people who lack satisfaction of three or more basic needs, e.g., access to safe water, primary education, decent housing or enough food. A "poverty line" thus defined is useful in identifying who the poor are and where they live, and therefore makes it easier to decide on social policies and to assess their effectiveness. At the same time, the definition of some basic needs, e.g. what constitutes a decent house, or the quality of the primary education, varies from country to country.

Measuring basic needs requires fairly sophisticated statistical tools and costly surveys that are not yet available in many countries. Thus, to make comparisons possible, the World Bank, a multilateral institution that lends more than USD 30 billion a year to developing countries, regularly publishes estimates on how many people live with less than one or two dollars a day (purchasing power parity dollars and not nominal exchange rate dollar).

Based on those estimates, the media widely disseminated in 2000 a figure of 1.3 billion people (roughly one out of five of the world's inhabitants) living in extreme poverty. The UN General Assembly's Millennium Declaration of September 2000 set as a target "to halve, by the year 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger and, by the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water."

If this paragraph is read in its entirety, and if it is taken together with the previous statement in the same document that "we are committed to making the right to development a reality for everyone and to freeing the entire human race from want", then world leaders are to be commended for having transformed the 1995 commitment to eradicate poverty into a measurable goal. Citizen groups such as the Social Watch network, with active members in over 50 countries, can hold them accountable.

If the target is read literally and narrowly, it is meaningless. Halving the **proportion** of people living in poverty (and not the absolute number) can be achieved even if 900 million people still spend less than one a dollar a day in 2015. Even with a reduction in current economic growth rates in Asia, the target will be achieved easily if no catastrophe occurs in China or India and without any reduction in the dramatic poverty conditions that prevail in sub-Saharan Africa and the least developed countries.

In fact, according to figures published by the World Bank itself, the poverty line in most countries is much higher than USD one/day. The only exceptions are China, India and Nigeria. If that line were accepted as the international standard, it would imply that there is no poverty in Europe or the United States, a statement that nobody would seriously defend in those countries. The gap between the one dollar/day line and basic needs satisfaction, as measured in a few countries for which information is available, indicates to the Social Watch team that the statement "more than half of humanity lives in poverty" is closer to the truth than the 1.3 billion figure.

The task of "freeing the entire human race from want" would be no minor accomplishment. Yet it is an achievable one, which can be done with the wealth and knowledge that is available now. This makes doing it "an ethical, social, political and economic imperative of humankind". This is not just an expression of Social Watch's hopes. It is what over a hundred presidents, prime ministers and kings from around the world committed themselves to do.

The right not to be poor

The Millennium Declaration of the United Nations and the Copenhagen Declaration of the 1995 Social Summit are not just beautiful words. Ms. Mary Robinson, former Irish president and current High Commissioner on Human Rights of the United Nations stated: "extreme poverty is a denial of human rights". Deepa Narayan, senior World Bank official and main author of the three-volume World Bank study, "Voices of the Poor", makes the human rights/poverty connection with the statement: "with surprising coincidence the poor from all regions feel powerless and voiceless".

A growing number of legal experts agree on the need to define poverty as a denial of rights, capabilities and access to resources. This is consistent with poverty measures based on satisfaction of basic needs and with internationally agreed targets on e.g. malnutrition, infant mortality, access to education and safe water, which Social Watch reviews in this report. Some poverty situations are critical and worse than others, but since a rights-based approach is about participation and empowerment, no one is 'too poor', or 'not poor enough' to be excluded from human rights protection.

Human rights laws, both international and national, conflict increasingly with the rules of the globalising world economy. A text being considered by a diplomatic working group on the Right to Development in Geneva, for example, underscores the need to identify and address "the human rights impact in various countries of international economic issues such as international macro-economic decision-making, poverty eradication, debt burden, international trade, functioning of international financial institutions, transfer of technology, bridging of the knowledge gap (digital divide), impact of intellectual property regimes on human rights and the fulfilment of international development commitments."

In practical terms this means that when the defence of human rights conflicts with economic interests the outcome is uncertain. The issue of anti-AIDS medication provides a dramatic example. AIDS is having a devastating impact in many poor countries, particularly in Africa. Cheap anti-AIDS medications could be produced in Brazil or India and eventually sold to African patients at one-tenth the price of the same medicine produced by pharmaceutical corporations. But this production has been challenged by the United States at the World Trade Organisation as a violation of international trade rules (included the WTO's so-called Agreement on Trade-Intellectual Property Rights, TRIPs).

Which shall prevail, the right to life of HIV-positive persons in poor countries, or the intellectual property rights (IPRs) of transnational corporations? Both laws are of equal status, but violation of trade rules results in heavy economic sanctions, while human rights violations invoke no comparable enforcement measures.

The Uruguay Round of trade negotiations and over one thousand bilateral investment agreements concluded in the last decade created new rights for transnational corporations—from IPRs to the right to sue national governments in ad hoc international tribunals—without any balancing obligations.

The Sub-Commission on the Promotion and Protection of Human Rights of the UN Economic and Social Council (ECOSOC) stated in its resolution 2000/7 (August 2000): "there are apparent conflicts between the intellectual property rights regime embodied in the TRIPs Agreement, on the one hand, and international human rights law, on the other". In 1998, the Sub-Commission on Prevention of Discrimination (since renamed the Sub-Commission on Promotion and Protection of Human Rights) warned members of the Organisation for Economic Cooperation and Development (OECD) about the possible conflict between their human rights obligations and rules being proposed under the Multilateral Agreement on Investment (MAI).

In a report submitted on 25 January 2001, the Human Rights High Commissioner's special rapporteur on the right to adequate housing, Miloon Kothari, concluded that "decisions regarding liberalisation, deregulation and privatisation have constrained the exercise of monetary and fiscal policy options for social purposes", thus affecting the right to adequate housing. Blame was not placed on macroeconomic adjustment and debt service alone. "There is also a need to ascertain whether the prescriptions of 'good governance' (by the World Bank and the UNDP) and 'poverty reduction' (by the Bank and the IMF) are compatible with housing rights principles and State obligations", the special rapporteur said.

In another report to the human rights sub-commission at its meeting in August 2000, on "Globalisation and its impact on full enjoyment of human rights", two special rapporteurs, Joseph Oloka-Onyango from Nigeria and Deepika Udagama from Sri Lanka, said there is a need for "critical reconceptualisation of policies and instruments of international trade, investment and finance". The two jurists said that instead of being treated as peripheral, human rights should be brought directly into the debate and policy considerations of those formulating policies and operating the WTO, the World Bank and the IMF.

The sub-commission at its August 2000 session, after a scrutiny of the WTO's agreement on TRIPs, adopted a resolution noting a lack of balance between the rights promoted by TRIPs and the broader human rights of peoples and communities. The sub-commission asked the UN High Commission for Human Rights to undertake an analysis of the issue, and asked the UN Secretary-General to prepare a report on the implications of TRIPs and options for further actions by the sub-commission. The World Intellectual Property Organisation (WIPO), the World Health Organisation (WHO), the United Nations Development Program (UNDP), United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Program (UNEP) and other UN agencies were also asked to deepen their analysis of the human rights implications of TRIPs.

There is thus a growing volume of analysis and concerns expressed over conflicts between international trade and financial rules and human rights obligations on issues of poverty and poverty eradication.

The main opposition to progress on these issues comes, surprisingly, from the United States, a country that claims promotion of human rights as a cornerstone of its foreign policy. Social Watch heard a US diplomatic explain in Geneva that he was instructed to oppose "any process that might end up with the poor suing our government in court because of their poverty".

Many Southern leaders insist that "trade, not aid" will drive their countries out of poverty. With this hope they signed on to binding rules of an economic system that is biased against the poor. Once it was thought that "the tide will lift all boats"—that economic growth would eventually benefit the poor and all we had to do was wait. For many, however, the tide of globalisation has become a tsunami with catastrophic consequences. What is good for the economy is no longer seen as necessarily benefiting the people, as the distance between the World Economic Forum in Davos and the World Social Forum in Porto Alegre dramatically demonstrated in January 2001.

The proposed Tobin tax on international speculative transactions and other constructive proposals on aid, debt, and investment will be taken up by the United Nations' global conference on Financing for Development. Another summit will take place later this year in Brussels to discuss initiatives in favour of the least developed countries. Citizens all around the world are increasingly raising their voices. The Social Watch network decided, when 50 national coalitions assembled in Rome in November 2000, that it would redouble its efforts initiated six years ago to hold governments and international organisations accountable to the high standards that they themselves have set.

There has been much ado in the form of inspiring speeches. Now concrete action is badly needed. A look at the numbers of people suffering deprivation, a majority of them women and children, should suffice to convey a sense of urgency.

Roberto Bissio,
Montevideo, April 2001