Post-2015 perspectives

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Putting the development agenda right

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In devising the post-2015 framework, the international community needs to move beyond the primacy of this narrow economistic metric toward a broad rights-based agenda rooted in the human rights principles that the international community has already endorsed and coupled with rigorous monitoring and accountability mechanisms, writes Roberto Bissio of Third World Institute and Social Watch.

Despite significant macroeconomic growth over the past ten to fifteen years globally, especially in many developing countries, progress of key social indicators has slowed down since 2000. To a considerable degree this is the result of growing inequalities between and within nations.

The dominant criterion for measuring poverty, the USD 1.25 per day limit, is inadequate and needs to be changed: USD 1.25 per day only indicates that a person does not live in a situation of "extreme poverty."

World Bank statistics, using a definition of poverty based only on income, and with a very low extreme poverty line (currently estimated at US$ 1.25 per day), substantiate the claim that the first Millennium Development Goal (MDG) had already been achieved in 2010.

That partial success is mainly due to China's economic boom and based on broad assumptions. For 75 countries out of 161 categorised as 'developing,' there is simply not enough data available to assess the evolution of this indicator. Yet progress for this indicator has been construed as a success on the part of the whole MDG strategy, in spite of major shortcomings when it comes to most other targets. If the strategy has been successful, goes the implicit logic, it makes sense to continue on the same path beyond 2015 – the year in which the MDGs are meant to be reached – with a small set of goals centred around poverty eradication and a target of 'zero poverty in a generation' (that is, to be reached by 2030).

Eradicating poverty by lowering the bar

Yet according to several studies examining in detail the evolution of key social indicators, the speed of

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progress of the corresponding outcomes, such as infant mortality or primary school enrollment, has slowed down since 2000 rather than being boosted by the political commitment expressed in the MDGs.

Total world exports have multiplied almost five times in the last 20 years, growing from a total value of US$ 781 billion in 1990 to US$ 3.7 trillion in 2010. Over the same period, the world's average inhabitant more than doubled her income, from US$ 4,080 per year in 1990 to US$ 9,120 in 2010. Yet growth in trade and wealth is not reflected in a similar momentum in the evolution of social indicators. The Basic Capabilities Index (BCI) computed by Social Watch averages infant mortality rates, the number of births attended by trained personnel and enrollment rates in primary school, all of which are key components of the MDGs. The BCI moved up only seven percentage points between 1990 and 2010, which is very little progress. And over this period, progress was faster in the first decade than the second – the increase was 4 percentage points between 1990 and 2000 and barely 3 percentage points between 2000 and 2010. The trend is the opposite for trade and income, both of which grew faster after 2000 than in the previous decade. Moreover, this slowing-down trend for social indicators will only worsen as the impact of the global financial, economic, food and energy crisis is gradually registered in internationally comparable statistics.

Increased inequalities between and within countries are the obvious explanation of this mismatch between a growing economy (in the past decade) and slow social progress.

Speaking in Washington at a conference on 'Ending poverty in a generation', Christine Lagarde, managing director of the International Monetary Fund, said that 'income inequality has increased in most advanced and developing countries, though it started to decline after 2000 in some regions, Latin America in particular'. And she observed that 'the Arab Spring and the Occupy movement, though very different, were motivated in part by discontent with these trends'.

While expressing support for '[World Bank] President [Jim Yong] Kim for staking this high ground, and the courage of his commitment to end poverty by 2030', Madame Lagarde considered it necessary to emphasise 'that even in middle income countries and high income countries there is a high proportion of people in need of support'.

This division of 'absolute poverty' in low-income developing countries and 'relative poverty' deployed in relation to advanced economies was first formulated in 1973 by then World Bank president Robert McNamara. The absolute poverty line was set at 30 cents per day.

Adjusted for inflation, 30 cents in 1973 amounts to US$ 1.60. Yet the new line is set at US$ 1.25. It is quite clear that this amount is not enough for 'the elimination of malnutrition and illiteracy, the reduction of infant mortality, and the raising of life-expectancy standards to those of the developed nations', as McNamara wanted. What it might achieve is merely to keep a person from starving, which is the new definition of 'extreme poverty'.

According to the World Bank's own projections, there is a great likelihood that the proportion of people living under the US$ 1.25 line will be less than 10 per cent by 2030 if current growth rates are maintained and inequality does not worsen. The message to the governments of the world is, therefore, that nothing needs to change for this war to be won.

Why are the bells not ringing? Where are the fireworks celebrating that humanity is (or will soon be) finally free from want?

People around the world are not rejoicing because the poverty measured by the Bank under a fixed line, remaining fixed even as people rise above it, is not the poverty perceived by the public. The founder of modern economics, Adam Smith, wrote in the 18th century that 'by necessaries I understand, not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without...' Smith included a pair of leather shoes and a linen shirt among those goods that 'the rules of decency' had made essential, even when in ancient times the rich paraded happily in toga and sandals. Similarly, Carroll Daugherty, chief economist at the US Bureau of Labor Statistics under President Franklin D. Roosevelt, explained in 1938 that 'a standard budget worked out in the [1890's], for example, would have no place for electric appliances, automobiles, spinach, radios, and many other things which found a place on the 1938 comfort model. The budget of 1950 will undoubtedly make the present one look as antiquated as the hobble skirt.' At a time when technological change occurs faster than it did 80 years ago, it makes little sense to freeze the poverty line projected for 2030 at the levels established in 1973, allowing only for inflation adjustment and not for it to evolve together with actual wealth.

If the poverty line moved according to income, and if we assume that the very low line of US$ 1 per day was correct in 1990 (the baseline date for MDG1), this line should currently be located far above US$ 2, as the world per capita income has more than doubled between 1990 and 2010. Which means that a much larger proportion of the world's population than that estimated by the World Bank lives below a level of 'essential decency'. Yet to substantially improve the lives of this section of the population would still be an achievable goal, since average global income now equals about US$ 30 per day per person.

Does it make any sense to raise the bar of development objectives when the major advanced economies are in recession or growing very slowly? Would the public in developed countries not reject such an idea on the grounds that 'charity begins at home'? Quite to the contrary, public frustration with development efforts is bound to arise if the post-2015 agenda lowers the bar even further and is perceived as being focused only on a few countries while failing to address inequalities on a global scale. The 'charity' message does not work in times of crisis and the moral appeal was already tried by McNamara in 1973 and did not succeed. For a global agenda to obtain the public's support, which is at the root of political commitment, both the poverty extremes and the inequalities that account for mass mobilisations, from the 'indignados' of Europe to the Arab Spring to the Occupy movement in the US, need to be addressed.

Human rights constitute an already agreed agenda

Will the global community today be able to agree on such an ambitious agenda? If the non-starvation level as defined by 'extreme poverty' line is inadequate, how can 'essential decency' be defined internationally? The good news is that this agenda – namely, the human rights agenda – has already been agreed upon and is already legally binding. As early as in 1948, the Universal Declaration of Human Rights combined the aspiration of freedom from fear and that of freedom from want. With the exception of sustainability, which can be constructed as the rights of future generations or the rights of Mother Nature, all other goals currently under discussion are already spelled out in the human rights instruments. This includes all civil and political rights, equality between women and men, rights of the child as well as the right to food, water, housing, health care and education, the right to work and rights at work, and the right to social security.

Furthermore, according to the 1993 Vienna Declaration, 'All human rights are universal, indivisible and interdependent and interrelated. The international community must treat human rights globally in a fair and equal manner, on the same footing, and with the same emphasis' (paragraph 5).

Each state is responsible for progressively achieving those rights 'to the maximum of available resources'. For a rights-based approach the question is not what the goal is, because the goals are already spelled out as rights, but when they will be progressively realised (and governments should ensure that there is no regression, even in times of economic crisis).

The definition of what constitutes a minimum social floor may differ from country to country, but international agreement is needed to identify obstacles beyond national jurisdiction that need to be removed, such as the impact of climate change or the threats posed by financial instability.

The UN Charter of 1945 asserts: 'States must take deliberate, specific and targeted steps, individually and jointly, to create an international enabling environment conducive to poverty reduction, including in matters relating to bilateral and multilateral trade, investment, taxation, finance, environmental protection and development cooperation.' Since 'poverty is an urgent human rights concern in itself', states are obliged to seek international assistance when needed and to provide it when possible.

These principles were established in the UN Charter, where 'all Members pledge themselves to take joint and separate action' for the achievement of 'higher standards of living, full employment, and conditions of economic and social progress and development'. This was reaffirmed 25 years ago in the Declaration on the Right to Development: 'As a complement to the efforts of developing countries, effective international co-operation is essential.'

The new consensus, expressed in the unanimous adoption of the Guiding Principles on Human Rights and Extreme Poverty by the UN General Assembly in September 2012, holds that co-operation is not only a matter of active support (for example, in terms of money or technology transfer) but also a duty, to avoid harmful policies and practices. All countries should be responsible for fulfilling their respective obligations, including the obligation to assist and the obligation to ensure that their trade and investment policies and the activities of corporations do not impact negatively on the human rights of people living in poverty.

The road ahead: monitoring and accountability

In a letter to the negotiators preparing for the Rio+20 Summit on sustainable development, two dozen special rapporteurs of the UN Council, globally the most trusted independent experts on human rights, expressed their view that 'commitments will remain empty promises without effective monitoring and accountability'.

Such accountability, I want to argue, should be both international and domestic. Moreover, monitoring should be carried out through the Universal Periodic Review of the Human Rights Council or a similar ad hoc mechanism. Nationally, independent monitoring bodies should be created or strengthened, bodies 'that enable civil society participation not only in defining the indicators to measure progress, but also in providing information to evaluate implementation'.

In a highly unequal world, 'mutual accountability' as defined in the aid agenda is not an appropriate mechanism. Monitoring developing countries' performance should not be handed to donors or carried out within a donor-recipient framework. It should be the role of the carefully balanced human rights mechanisms.

Unless a set of rigorous monitoring and accountability mechanisms are integrated into the new framework, we are likely to witness an ineffectual development agenda that fails to deliver.

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