Poverty Brief

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Mobilizing critical research for preventing and eradicating poverty

POVERTY AND THE POST-2015 DEVELOPMENT AGENDA: A REACTION TO THE HIGH-LEVEL PANEL REPORT (HLPR).

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This Poverty Brief argues that, despite some positive elements mentioned below, the HLPR has fundamental flaws:

- It fails to call for the ratification, implementation and genuine monitoring of existing human rights instruments.
- The goals and targets it proposes are not binding.
- It contains no provisions for genuine accountability.
- The well-researched causes of poverty do not feature in depth in the HPLR.
- The HLPR fails to address the task halting and reversing the rise in inequality.
- The HLPR favours a neoliberal approach which is unhelpful as markets do not redress poverty and inequality and systemically ignore issues of sustainability or justice.
- The HLPR fails to deal with structural challenges. What is needed are a defined role of an enlightened state with policies, at both the national and international levels, committed to achieve genuine transformation, so that societies aim to become economically, politically and socially just as well as ecologically sustainable. Toward this end, we offer a series of concrete alternative suggestions.

Introduction

May 2013 saw the official release of the HLPR, *A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development — The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda*. The document was presented as a step forward toward shaping the next development agenda, namely as a mechanism to carry forward, expedite and deepen the achievement of the MDGs promised for delivery by 2015. In this Policy Brief we debate the underlying rationale of the HLPR while focusing specifically on its evident weaknesses. In a subsequent Brief we will examine a range of alternatives that, we argue, should be considered if we are really serious about addressing poverty at a global scale.

While critical engagement with and promotion of concerted and substantive global efforts to address global poverty are to be welcomed, we must ask whether the HLPR is able to address a range of key questions, namely:

- Does it offer ideas for the next development agenda?
- Does it have a transformative vision?
- Does it speak to the concerns of the 2 billion people – two-sevenths of the planet's population who live in situations of political, economic and social exclusion?
- Does it speak to a world acutely threatened by the violent impact of climate change, conflict, and displacement and offer a workable plan of action?

At first sight, the HLPR appears to do so. In its arguments, it sounds more progressive than the texts issued in connection with the Millennium Development Goals (MDGs). It embraces a human rights approach and

acknowledges that the conditions exist to "eradicate extreme poverty, once and for all, and to end hunger, illiteracy, and preventable deaths" (HLPR 4). It concedes that the number of people living with "hunger and in extreme poverty" is 1.2 billion – directly linking hunger and abject poverty together, a connection often negated in international poverty discourse. The HLPR also adopts a 'one-world' approach, proposing a new universal agenda to identify the core elements required in order to achieve sustainable lifestyles for all. In this, it goes beyond the constrained scope of the MDGs.

What the HLPR does not say

Despite these positive elements, we argue that the HLPR is fundamentally flawed by merely acknowledging the status quo and by manifesting a strong bias in favour of business interests. In the critique to follow, we concentrate our analysis on the HPLR's five 5 key dimensions.

In terms of the **first theme**, namely **an effective realization of human rights,** the HLPR acknowledges the need to adopt a human rights approach. It notes that as many as "4 billion people live outside the protection of the law," according to estimates made in 2008 by the International Commission on Legal Empowerment of the Poor (HLPR 52). While this is a significant statement, a human rights agenda requires more than just a recognition of the challenge – important as this is. A policy consequence would have been for the HLPR to call for the ratification, implementation and genuine monitoring of existing human rights instruments. Key instruments in this regard include, amongst others, the Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, the ILO conventions on labour standards, minimum wages, minimum working age and home work (C177), the ILO recommendation on global social floors (R201), as well as the Convention on the Eradication of all Forms of Discrimination against Women (CEDAW), the Convention on the Rights of the Child (CRC) and the Convention on the Eradication of Racial Discrimination (CERD). In short, the effective implementation of rights requires systematic political and institutional changes, which are not addressed by the HLPR.

Secondly, regarding poverty, the HLPR calls for the eradication of poverty – not just its reduction. This is progress as compared with the MDGs. However, to achieve poverty eradication, the HLPR needs to acknowledge its true scale and work with an adequate understanding of how poverty is produced and reproduced in a world characterized by extreme economic polarization. Unfortunately, the well-researched causes of poverty do not feature in-depth in the HLPR. These include: the deprivation of basic labour and human rights at a global level; the lack of decent work and of access to assets – notably land and other economic resources; growing global and intranational economic disparity (which is only superficially treated in the HLPR) and the absence of a social protection floor both globally and in many countries. In addition, national and international trade, investment, intellectual property right and other regimes, designed by and for the most affluent, are typically heavily biased in their favour.

Thirdly, regarding inequality, the HLPR is sensitive to the issue of growing income and wealth polarization, such as the fact that the 1.2 billion poorest people account for only 1% of world consumption of goods and services while the billion richest consume 72% (HLPR 4). While the HLPR proposes to "tackle inequality of opportunity head on, across all goals," it does not actually do so but instead argues that "national policy in each country, not global goal-setting, must provide the answer" (HLPR page 16) to this huge social problem which is closely related the possibility of eradicating poverty.

The issue of mounting inequality is clearly left aside by the Panel, which argues that most developing countries should have experienced sufficiently rapid economic growth by 2030, "averaging 5 per cent per year, to bring extreme poverty down below five per cent. Specific policy measures must do the rest of the job to ensure that no one is left behind". This seems unrealistic in view of the evidence we have: macroeconomic growth over the past decade has been highly inequitable, and there is no assurance that the poor will participate in economic growth to a meaningful, let alone proportional extent. Moreover, with the limitations to growth posed

by climate change and sustainability objectives, the goal of a more equal distribution (at the national and international levels) must be explicitly addressed. These are core political issues and ones which we would have expected the HLPR to discuss. Without considering the distributional implications of our current economic and political systems, the idea of transformation does not directly link with the causes of poverty and inequality at national and global levels.

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Fourthly regarding **policy accountability,** the HLPR suggests targets (HLPR Annex I and Annex II) that would constitute an improvement compared to those stated in the MDGs. However, the HLPR then retracts, and merely recommends: "Like the MDGs, they would not be binding, but should be monitored closely." If goals and targets are not binding (as is suggested at HLPR 13 and in the summary), the idea of accountability vanishes. The concept is further weakened when the HLPR states that "(A)ccountability must be exercised at the right level" (for instance "corporations to their shareholders" (HLPR 23).

Fifthly, and most importantly, **regarding economic policy**, it is important to look at the facts. The HLPR echoes the UN's thesis that "the MDGs have helped to lift millions of people out of poverty" (UN MDGs Report 2011). It has, however, been shown elsewhere1 that poverty reduction was primarily achieved by national policies (for example in China, India, Brazil and other East Asian and Latin American countries) that actually contravened the conventional neoliberal recipes for development and poverty reduction recommended by the World Bank and the IMF.

In its discussion on economic policy, we argue that the HLPR is especially weak on the issue of "Unifying Global Goals with National Plans for Development" (HLPR 21). To genuinely promote all people's rights necessitates having intelligent, developmental welfare states (UNCTAD 2011; UNRISD 2010), which are under the supervision of and accountable to citizens and residents. Instead, what the HLPR recommends is a neoliberal approach to policy. It relies heavily on the role of markets and on the business sector to address poverty, income inequality, the impact of climate change, and other burning issues. This approach has been proven wrong and actually pernicious in the past. Markets and transnational corporations do not take adequate account of the need for social and economic justice and sustainability.

At the international level, a more equitably functioning economy would require wage harmonization to stop the race to the bottom and it would require trade policy reform to stop inequitable trade and exploitation across the value chain. It would also require a serious revisit of external debt, including the way it was contracted, its legality and legitimacy, and its effects on poverty production. Finally, it would require financial sector reform to reduce the enormous amounts now siphoned out of the developing countries: we need to abolish secrecy jurisdictions that facilitate embezzlement and tax evasion, for example, and to curb the practice of multinational firms to dodge taxes by shifting their profits into tax havens.

Conclusion

the HLPR does not, unfortunately, deal with the structural causes of persistent poverty and mounting inequality and social exclusion. The reactions of concerned citizens, civil society and academics since the HLPR's release reflect this but also show that it can at least serve a purpose by moving the debate forward. Now it is necessary to look at the issues at hand with a more rigorous and critical eye, develop a vision, decide on policy commitments, and determine how to mobilise the necessary funds. We need a universal development agenda – an agenda for all – with national and international policies and institutional reforms that can achieve genuine transformation toward a global framework that enables and encourages national societies to become economically, politically and socially just, and sustainable.2 A subsequent CROP Policy Brief will examine a range of ideas in this direction.

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NOTES

1 Alberto D. Cimadamore, Bob Deacon, Sigmund Grønmo, Gabriele Köhler, Gro Th. Lie, Karen O'Brien, Isabel Ortiz, Thomas Pogge, Asuncion St. Clair (2013) Poverty & The MDGs: A critical assessment and a look forward, CROP Poverty Brief, January 2013, ***http://www.crop.org/viewfile.aspx?id=453***

2 Such a framework was promised in 1948: "Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized" (*Universal Declaration of Human Rights*, Article 28).

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