**Tackling extreme poverty in times of crisis:**

**Key challenges facing the fight against poverty and thematic priorities for the Special Rapporteur on extreme poverty and human rights**

*The new Special Rapporteur on extreme poverty and human rights, Mr. Olivier De Schutter, takes up his role on May 1st, 2020, as the world has entered a major economic recession, provoked by the spread of the Covid-19 pandemic. It is impossible to predict how the crisis will evolve. Two things are clear already, however: the challenges facing governments are daunting; and the shock provides a once-in-a-generation opportunity to rethink the development model on which the current organisation of the economy is based.*

**The crisis**

The Covid-19 crisis is first a humanitarian crisis, calling for an immediate response from the international community. The [initial estimate](https://www.unocha.org/sites/unocha/files/Global-Humanitarian-Response-Plan-COVID-19.pdf) of the UN's Office for the Coordination of Humanitarian Affairs (OCHA), published on 28 March 2020, was that 2.012 billion USD were required to respond to the direct public health and indirect immediate humanitarian consequences of the pandemic over the period April-December 2020.[[1]](#footnote-1) This figure was based on the appeals and inputs from a range of UN agencies (World Food Programme (WFP), World Health Organisation (WHO), International Organisation on Migration (IOM), UN Development Programme (UNDP), United Nations Population Fund (UNFPA), UN-Habitat, UN High Commissioner for Refugees (UNHCR), and UNICEF) and humanitarian NGOs joining efforts within the Inter-Agency Standing Committee (IASC), the longest-standing humanitarian coordination forum of the UN system. It concerns only the resources needed to contain the spread of the disease to reduce morbidity and mortality; to protect refugees, displaced persons and migrants; and to provide immediate protection to those who are impacted by the crisis and exposed to situations of vulnerability. These groups include in particular people facing increased food insecurity, for instance, as a result of the interruption of school-feeding programmes, rising food prices resulting from speculation or panic buying, the disruption of supply chains, or the prohibition of informal food outlets and street vendors.

Beyond the immediate humanitarian impacts, however, the economic recession caused by the Covid-19 pandemic will have massive impacts on global poverty. In its World Economic Outlook 2020, taking into account data available until 7 April 2020, the International Monetary Fund (IMF) [estimates](https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020) that the global economy shall contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis ; the contraction shall be of -6.1 percent in rich countries (and -7.5 percent for the eurozone). Although the contraction should be less significant in emerging markets and developing countries (-1.0 percent on average), certain countries such as South Africa, Brazil or Mexico (with respectively -5.8 percent, 5.3 percent and -6.6 percent) shall be severely hit. Sub-Saharan African economies as a whole shall contract by -1.6 percent. Reflecting the fears of investors, capital flight from emerging economies has reached unprecedented heights since the start of the crisis, and the local currencies of some of the countries affected have fallen significantly in relation to the US dollar. This increases the debt burden of heavily indebted countries, which is labelled in hard currencies (US dollars, euros, or yens). This, combined with the falling commodity prices, significantly reduces the ability for developing countries to cope with the impacts of the crisis.

The recession is not only affecting certain more exposed sectors, such as travel, tourism, retail, events, restaurants and entertainment. Many businesses have closed temporarily or reduced their activities due to various factors, including governmental mandates to reduce the risks of infection, illness of employees, the disruption of supply chains — particularly vulnerable to the halt of manufacturing activity in the just-in-time organisation of global supply chains —and the fall in consumption. Factories are being closed, and entire regions are under lockdown. Seasonal migrant workers cannot travel, and the levels of remittances are going down. Reflecting the fears of investors, capital flight from emerging economies has reached unprecedented heights since the start of the crisis, and the value of local currencies of some of the affected countries has fallen significantly in relation to the US dollar. As a combined result of these factors, both the number of foreclosures and the underemployment rate are rising. Addressing the social impacts of the crisis, following the already considerable costs to meet the sanitary emergency, shall put a considerable strain on public budgets, in a context in which the accumulated level of debt is already considered unsustainable. An [UNCTAD study](https://unctad.org/en/PublicationsLibrary/gds_tdr2019_update_coronavirus.pdf?user=1653) published on 20 March 2020 already warned that developing countries may "not have the reserve cushion to withstand a temporary but possibly pronounced impact of the COVID-19 shock on their real economies"; and the situation has only deteriorated since.

Before the crisis, even using the extremely conservative international poverty line of 1.90 USD/day in PPP (a measure that does not cover all dimensions of poverty, and is barely enough to ensure survival), 759 million people (about 10% of the global population) were living in extreme poverty. According to a [recent study](https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2020-43.pdf) published by the United Nations University World Institute for Development Economics Research (UNU-WIDER), that figure could increase to reach almost 1.2 billion people (or 15.7% of the population), assuming a 20% contraction in income following the crisis. This significantly revises upwards [initial projections](https://www.ifpri.org/blog/how-much-will-global-poverty-increase-because-covid-19) presented on 20 March 2020 by researchers from the International Food Policy Research Institute, which were based on certain predictions about the ability to swiftly overcome the pandemic — predictions which unfortunately recent developments have proven to be far too optimistic. The impacts, which are now anticipated, would erase a decade of progress in the eradication of poverty, and poverty increases would be especially significant in Sub-Saharan Africa and in South Asia.

Self-employed workers and workers of the informal sector or in precarious forms of employment will be particularly hurt: the former have minimal or no access to social protection in cases of illness or unemployment, and the latter shall be the first to be laid off as a result of business downsizing or closing. The crisis shall affect people without social protection: according to the [International Labour Organisation](https://www.ilo.org/global/publications/books/WCMS_604882/lang--en/index.htm), 55% of the world's population (4 billion people) have no access to social protection whatsoever, and only 29% enjoy the full range of social security benefits in a life-cycle perspective — from child allowances to unemployment and sick allowances, and from disability allowances to old age pensions.  In the African region, 82.2% of the population has no social protection, and only 5.6% of unemployed workers receive unemployment benefits. Women will be particularly affected, since they are over-represented in the informal sector, as well as in certain labor-intensive segments of global supply chains such as in the garment industry, where massive layoffs have already taken place. It is also women who shall shoulder most of the additional burden imposed on families following the closure of childcare services and schools and who, in larger proportions than men, will be caring for the elderly and sick.

**The key challenges**

Against this background, the Special Rapporteur on extreme poverty and human rights shall work with a sense of urgency. He intends to address the following thematic priorities during the first phase of his mandate:

**1. Making Social Protection Floors Universal**. In June 2012, the International Labour Conference adopted the Social Protection Floors Recommendation (No. 202) by an overwhelming majority of delegates from the ILO’s 185 Member States, including government, employer and worker delegates, supported the initiative: 453 votes were cast in favour of adopting the Recommendation, which was adopted with only one abstention. However, the implementation remains an [unfinished task](https://www.ilo.org/ilc/ILCSessions/108/reports/reports-to-the-conference/WCMS_673680/lang--en/index.htm). Workers in the [informal sector](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_711798.pdf) (61 percent of the global workforce, representing 2 billion workers)[[2]](#footnote-2) and workers in [non-standard forms of employment](https://www.ilo.org/global/publications/books/WCMS_534326/lang--en/index.htm), including ["just-in-time" workers of the gig economy](https://www.ilo.org/travail/whatwedo/publications/WCMS_443267/lang--en/index.htm), have little or no access to social protection. The "non take-up" of rights remains a widespread phenomenon: the intended beneficiaries of social support are not informed about their rights; they face various obstacles in claiming benefits; or they may experience shame or fear their encounters with social services, for instance because they are undocumented migrants or because of the risk of having children removed from the family.

In addition, a number of countries are unable to mobilize sufficient resources domestically to fund standing, rights-based social protection schemes. The cost of financing the full set of benefits included in social protection floors for the 57 low-income and lower-middle-income countries ranges from, 0.3 to 9.8 percent of their GDP, with an average cost of 4.2 percent of the GDP. This is affordable, and it should be seen as an investment in the future, not as a cost. But low-income countries with a poorly diversified economy are vulnerable to shocks - economic, climatic or sanitary, as illustrated by the SARS epidemic in 2003, the Ebola epidemic in 2014-2015 or the Covid-19 pandemic.. These countries may fear they will face liquidity problems if they establish standing, rights-based social protection schemes, since a crisis may result in a sharp increase in demand for social protection as well as a loss of public revenues from taxation.

This is a risk against which countries should be insured. In 2012, then in his capacity as UN Special Rapporteur on the right to food, Mr. De Schutter had [proposed](https://www.ohchr.org/Documents/Issues/Food/20121009_GFSP_en.pdf) together with Ms. Sepúlveda, then the Special Rapporteur on extreme poverty and human rights, a new international mechanism in support of the establishment of social protection floors. The proposal was [widely endorsed](https://www.globalpolicy.org/component/content/article/222-un/52455-video-introduction-global-fund-for-decent-work-and-social-protection.html) by civil society, unions and certain international agencies, and it was discussed at the Third International Conference on Financing for Development, held in Addis Ababa in July 2015. Now is the time to launch a major effort to provide international support for the universalisation of social protection floors.

**2. Promoting a "Just" Transition**. By adopting the 2030 Agenda for Sustainable Development, translated into the 17 Sustainable Development Goals, the Heads of State and Governments recognized that we need to move away from a development model in which we grow the economy first, and compensate after for the environmental damage caused and for the increased inequalities that result from the pressure to compete. Beyond the dramatic human impacts, the major economic recession that shall result from the sanitary crisis provides a unique opportunity to reflect upon the dominant model of growth: it is the development process itself -- the model of growth we choose -- that should be designed both to ensure environmental sustainability and to reduce inequalities; and human rights provide the signposts to achieve this.

The search for a new and more inclusive development pathway requires that we transform the current shape of globalization -- a form of globalization in which transnational corporations locate the most labor-intensive segments of global production chains where wages are low and unions' activities undermined, cause pollution where environmental standards are lax or underenforced, and declare profits in tax havens, depriving countries from the resources essential to finance social protection and to provide public services to their population. Mr. De Schutter has [argued](https://www.ohchr.org/Documents/Issues/Development/Session19/A_HRC_WG.2_19_CRP.1.pdf) that the right to development should provide the compass to guide a number of reforms in international economic relations, in order to redirect efforts towards human development grounded in human rights and well-being.

The Special Rapporteur shall work with governments, international agencies, academic experts, civil society and social movements to identify the various tools that could help accelerate this transition. Such tools include strengthening the social and solidarity economy; encouraging cities to support citizens-led initiatives based on the idea of the commons; as well as increasing investments in renewable energy sources, in the insulation of buildings, in public transport, in agroecological agriculture and in local food systems, and in the circular economy, all of which can contribute to boosting local economies, to employment creation, and to the decoupling of economic growth from the ecological footprint. People living in poverty are the first victims of environmental degradation, and the former Special Rapporteur on extreme poverty and human rights described how [climate change shall impact hundreds of millions of people](https://undocs.org/A/HRC/41/39) who will face food insecurity, forced migration, disease and death. Accelerating a "just transition" is not only vital to avoid such catastrophic consequences from occurring; it is also our chance to shape a livable future, in which an end shall be put to the growth of inequalities and in which new opportunities shall be open, particularly for people who are marginalized and socially excluded, and people with low levels of qualification.

**3. Ensuring Adequate Participation of People in Poverty**. None of the objectives listed above could be attained without an active participation of people in poverty in the design and implementation of the innovations that can further the 2030 Agenda for Sustainable Development, including SDG 1 on the eradication of extreme poverty. Yet, despite the reference to "social origin" and "property" as prohibited grounds of discrimination in article 2(2) of the International Covenant on Economic, Social and Cultural Rights, people in poverty experience various forms of discrimination, based mostly not on the level of incomes *per se*, but on family relationships, on the schools the person has attended, or on childhood circumstances. The [intergenerational transmission of poverty](http://www.oecd.org/social/broken-elevator-how-to-promote-social-mobility-9789264301085-en.htm) remains high, due in particular to insufficient investment in early childhood, but also to the stigma attached to poverty: in some countries, it may take people born in low-income families nine, or even up to eleven generations to reach the mean income in their society. People in poverty also have been traditionally excluded from political processes: poorly informed, rarely consulted, they have generally not been a constituency that mattered. They understand, better than most, how economic marginalization and political disempowerment go hand in hand: they know how precious democracy is, but also how democracy will remain a distant dream until the economy is made more inclusive.

The Special Rapporteur is committed to working closely with people in poverty and those with an experience of poverty, in order to ensure that their unique knowledge informs the work of the mandate, and that the social innovations they have experimented guide the search for solutions.

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***Mr. Olivier De Schutter*** *was appointed the United Nations Special Rapporteur on extreme poverty and human rights by the Human Rights Council, a 47-member intergovernmental body meeting in Geneva, during its 43rd session in March 2020. The Special Rapporteur reports to the Human Rights Council and to the UN General Assembly.*

*Special Rapporteurs are part of what is known as the*[*Special Procedures*](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.ohchr.org%2FEN%2FHRBodies%2FSP%2FPages%2FWelcomepage.aspx&data=02%7C01%7Colivier.deschutter%40uclouvain.be%7C60efba4fb2f84e9ef20708d7e1381fa9%7C7ab090d4fa2e4ecfbc7c4127b4d582ec%7C0%7C0%7C637225504197689296&sdata=724EFP0fkkwCYUd9vgk3ZIIscTiPRPzAGmaI5AWxvAs%3D&reserved=0)*of the Human Rights Council. Special Procedures, the largest body of independent experts in the UN Human Rights system, is the general name of the Council’s independent fact-finding and monitoring mechanisms that address either specific country situations or thematic issues in all parts of the world. Special Procedures experts work on a voluntary basis; they are not UN staff and do not receive a salary for their work. They are independent from any government or organisation and serve in their individual capacity.*

1. OCHA, Global Humanitarian Response Plan Covid-19, https://www.unocha.org/sites/unocha/files/Global-Humanitarian-Response-Plan-COVID-19.pdf [↑](#footnote-ref-1)
2. ILO, Women and Men in the Informal Economy: A Statistical Brief, January 2019, https://www.ilo.org/wcmsp5/groups/public/---ed\_protect/---protrav/---travail/documents/publication/wcms\_711798.pdf [↑](#footnote-ref-2)