

Mandate of the Special Rapporteur on extreme poverty and human rights

PRIORITIES FOR THE SECOND WORLD SUMMIT FOR SOCIAL DEVELOPMENT 2025

The Special Rapporteur on extreme poverty and human rights has been appointed in accordance with resolutions 8/11 and 53/10 of the Human Rights Council. His mandate is to examine and report back to member States on initiatives taken to promote and protect the rights of those living in extreme poverty, with a view to advancing the eradication of such poverty. Based on his thematic work since his appointment in 2020, he identified the following priorities for the Second World Summit for Social Development (WSSD2):

1. Combating poverty beyond growth

As more countries are facing a secular stagnation and as it is becoming clear that it is unrealistic to hope to increase total economic output (measured as the gross domestic product GDP)) without further worsening the environmental crisis, a new question emerges: how can we make progress towards eradicating poverty without growth? While the Pact for the Future adopted on 23 September 2024 reaffirms the need to "urgently develop measures of progress on sustainable development that complement or go beyond GDP", indicators alone, while useful, remain insufficient: what matters is the reorientation of the economy -- of our ways of producing and consuming.

The Special Rapporteur <u>proposed a range of answers</u>, which include strengthening the social and solidary economy, identifying new sources of financing for State services that do not depend on growth, better valuing care work and better aligning wages with the social utility of work. The overall objective should be to expand the toolbox of governments in the fight against poverty. This will allow to move beyond a grow-tax-transfer approach to poverty reduction (the dominant post-market model to combating poverty), to focus more on pre-market measures (including investing in early childhood education and care) and on market reforms (to make markets more inclusive).

WSSD2 should reaffirm the need to tackle poverty without depending on the increase of GDP, by complementing efforts towards post-market redistribution by efforts to address pre-market conditions for reducing disadvantage and market inclusiveness.

2. Prohibiting discrimination on grounds of poverty

The prohibition of discrimination on grounds of socio-economic condition can support a reorientation towards development pathways that will prioritize the fight against poverty and the reduction of inequality. Lack of sufficient income and material deprivation are often associated with stigma, discrimination, and social exclusion, leading the Committee on Economic, Social and Cultural Rights to find that "[d]iscrimination may cause poverty, just as poverty may cause discrimination" (Statement on poverty adopted on 4 May 2001 (E/C.12/2001/10), para. 11). When they adopted the Guiding Principles on Extreme Poverty and Human Rights, governments noted that persons experiencing extreme poverty "live in a vicious cycle of powerlessness, stigmatization, discrimination, exclusion and material deprivation, which all mutually reinforce one another" (para. 4).



The discrimination they face is a major obstacle people in poverty encounter when trying to escape poverty. Discrimination restricts access to employment, education, housing or social services. It may result in certain social goods or programs not reaching people in poverty, due to discriminatory treatment by officials, employers or landlords, or to the fear of maltreatment. It discourages people who experience poverty from applying for a job, or from claiming certain benefits.

To address such discrimination, governments should include the ground of socio-economic disadvantage (or, as in article 2(2) of the International Covenant on Economic, Social and Cultural Rights, "social origin" or "property") among the prohibited grounds of discrimination, alongside, *inter alia*, race, colour, sex, language or religion. They should also introduce a requirement that public bodies systematically and proactively assess the impacts on poverty and inequality of policy initiatives or legislative proposals, to ensure that the reduction of poverty and inequality become a transversal requirement in all public action.

WSSD2 should reaffirm the duty of States to ground the fight against poverty in human rights, and the role of the prohibition of discrimination on grounds of socio-economic disadvantage in enabling the escape from poverty.

3. Making social protection floors truly universal

The implementation of the right to social security by establishing social protection floors is essential to achieve income and health security in line with SDG 1.3 and 3.8, and governments, workers' unions and employers have pledged unanimously to make social protection floors universal in ILO Recommendation (No. 202) on National Social Protection Floors (R202). Social protection coverage worldwide remains desperately low, however, particularly in low-income countries: 47.6 per cent of the world's population have no access to social protection, which means that 3.8 billion people are still entirely unprotected from life's challenges and the impacts of climate change. Three specific challenges should be addressed.

Addressing the non-take-up of social benefits

The first challenge is to move beyond legal reform in improving the coverage of social protection, to ensure it effectively reaches people in need of support. The Special Rapporteur has <a href="https://high.com/high.co

Non-take-up significantly diminishes the effectiveness of social protection in reducing poverty and inequalities and results in a considerable waste of resources. Governments should address this, by proactively providing information to rights-holders about the benefits to which they are entitled, by simplifying application procedures, by ensuring programs are sufficiently funded so that all eligible individuals can benefit from them, by fighting against corruption in service delivery, by refraining from imposing conditions that are stigmatizing and humiliating, and by providing clear and accessible appeals procedures to rectify mistakes made by public administrations.



As they gradually strengthen minimum income schemes and improve their adequacy in line with the pledge to ensure basic income security to all to allow a life in dignity reiterated in the ILO Social Protection Floors Recommendation (No. 202) (2012) and Target 1.3 listed under SDG 1 (to end poverty in all its forms everywhere), governments should remove conditionalities that discourage take-up and avoid excessive targeting which may result in under-inclusion. As argued by the Special Rapporteur in a report he dedicated to the factors explaining the perpetuation of poverty from one generation to the next (A/76/177, paras. 51-52), the provision of a unconditional and universal basic income guarantee for young adults between 18 and 25 years old could serve these objectives and provide a tool to break poverty cycles.

Protecting informal workers and encouraging the formalization of work

The second challenge is to cover informal workers. 61% of workers globally are informal. These workers earn on average much less than workers in formal jobs – a "wage penalty" that is especially high for the lowest income-earners —, and they generally have no access to social protection.

Consistent with ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) and the general comment Committee on Economic, Social and Cultural Rights dedicated to just and favourable conditions of work (para. 47, d), governments should be encouraged to pursue a two-tracks approach. First, the human rights of informal workers should be protected, in order to avoid instances of exploitation by unscrupulous employers: health and safety at work regulations, minimum wage, union rights, and the right to equal treatment, should be extended to informal workers and enforced by labour inspectorates. Secondly, as also agreed under the Guiding Principles on Extreme Poverty and Human Rights (paragraph 86, c), social security should be progressively extended to informal workers. Formalization should be encouraged by providing incentives to employers who choose to formalize workers, for instance by reducing the levels of social contributions during an initial period following formalization (compensating the reduced levels of social contributions by funding from the general budget), or by making the awardance of public contracts or access to credit conditional upon formalization.

International support for social protection floors

The third challenge concerns funding. Low-income countries dedicate only 2 percent of their GDP to social protection and healthcare, largely because of the enormous burden of debt servicing: in 2023, a record 54 developing countries allocated 10% or more of government revenue to paying off the interest on their debt, and 3.3 billion people live in countries that spend more on interest payments than on either education or health. Both because of the lack of fiscal space and because of the lack of political will -- itself the result of political disempowerment of people in poverty --, the needs remain considerable. The ILO estimates that for low- and middle-income countries, the financing gap to achieve universal coverage of social protection floors (for healthcare as well as for five social protection cash benefits: child allowances, disability benefits, maternity benefits, old-age pension and unemployment) represens 3.3 per cent of GDP annually. For low-income countries however, the financing gap is an overwhelming 52.3 per cent of their GDP annually (including 32.5 per cent for healthcare), or 308 billion USD (including 192 billion USD for healthcare). These countries cannot afford this without increased international support. This is why the ILO Social Protection Floors Recommendation (No. 202) (2012) refers to "international cooperation and support" to complement domestic efforts in the establishment of social protection floors (para. 12), and why Target 1.6 of the SDGs includes a pledge to "ensure significant mobilization of resources from a variety of sources,



including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions".

In June 2021, following a range of consultations, the Special Rapporteur presented a <u>report</u> (A/HRC/47/36) making the case for a <u>Global Fund for Social Protection</u>: an international financing mechanism that could support countries in increasing levels of funding for social protection. At the 109th session of the International Labour Conference, the ILO members adopted a resolution requesting the ILO to "explore options for mobilizing international financing for social protection, including increased official development assistance, to complement the individual efforts of countries with limited domestic fiscal capacities to invest in social protection or facing increased needs due to crises, natural disasters or climate change, based on international solidarity, and initiate and engage in discussions on concrete proposals for a new international financing mechanism, such as a <u>Global Social Protection Fund</u>, which could complement and support domestic resource mobilization efforts in order to achieve universal social protection" (para. 21, c)).

In his report "Our Common Agenda" presented in September 2021, the United Nations Secretary-General <u>noted</u> that a Global Fund for Social Protection could "support countries in increasing levels of funding devoted to social protection over time." The proposal for the GFSP is now discussed as part of the <u>Global Accelerator on Jobs and Social Protection for Just Transitions</u>, a vision jointly presented by the UN Secretary-General and the former ILO Director-General in September 2021.

Improving low income countries' access to funding for the establishment of social protection floors does not require setting up an entirely new organization with a separate legal personality; nor does it require negotiating a new international instrument. Instead, the Special Rapporteur proposed that the governance of the GFSP could build on the existing Global Partnership for Universal Social Protection (USP2030), co-chaired by the ILO and the World Bank, and rely on the experience of the ILO's Flagship Programme on Building Social Protection for All, as well as, for the administration of the financial commitments, on the UN Multi-Partner Trust Fund Office (UN MTFO).

What is needed, however, is to improve access to funding, in order to provide incentives for countries to mobilize domestic resources for social protection floors by matching their investments, and to do this preferably in the form of grants rather than loans, in order not to further increase their debt levels. The Special Rapporteur identified various sources of funding, including debt relief and debt restructuring (through "debt for social protection" swaps), official development assistance, and Special Drawing Rights (SDRs) (including the re-allocation of unused SDRs).

WSSD2 should reaffirm the pledge, already included in in <u>ILO Recommendation (No. 202</u>) on National Social Protection Floors (R202) and in the Agenda 2030 for Development (targets 1.3 and 3.8 of the Sustainable Development Goals), to <u>universal</u> social protection floors. It should emphasize the need to move beyond rhetorical commitments and to close the gap between legal coverage and effective coverage of social protection, by (i) addressing the non-take-up of social benefits, by improving access to information and removing obstacles people in poverty face in having access to their rights, (ii) protecting the human rights of informal workers and gradually extending social protection to social workers, and (iii) consistent with paragraph 12 of ILO Recommendation (No. 2020), increasing the level of international support to low-income countries for the establishment of social protection floors, as a way to encourage the mobilization of domestic resources to that effect.



4. Ensuring supply chains contribute to the fight against poverty

Under article 23 of the Universal Declaration of Human Rights and article 7(a) of the International Covenant on Economic, Social and Cultural Rights, all workers have a right to a remuneration which is fair and ensures a decent living for themselves and their families. The objectives of the International Labour Organisation, as defined in the 1944 Declaration of Philadelphia, include ensuring "a minimum living wage to all employed and in need of such protection" (art. III), a requirement also stated in article 3 of the International Labour Organisation's 1970 Minimum Wage Fixing Convention (No. 131).

Yet, the Special Rapporteur showed in a <u>report to the General Assembly</u> that the level of the minimum wage set in legislation is often inadequate; that even where minimum wages law exist, its level may not be regularly updated, so that the real wages received by the workers paid the minimum wage decline over time; that enforcement of minimum wage legislation is highly uneven; and that some workers may not be covered, for instance domestic workers, homeworkers and workers in agriculture, those working for small businesses or family enterprises, informal workers, or platform workers.

These gaps go a long way towards explaining why, worldwide, more than one in five workers in the world live in poverty: while most of the world's poor people work, they do not earn a living wage. It follows from the <u>Guiding Principles on Business and Human Rights</u> and from the <u>Guiding Principles on Extreme Poverty and Human Rights</u> that corporate actors should refrain from cost minimization strategies that can lead to violations of the right to a living wage. As part of their due diligence responsibility to respect human rights, corporations should explain which measures they are adopting in order to avoid encouraging suppliers to pay wages below what allows the worker and his/her family members to achieve an adequate standard of living (even when such wages would be above the statutory minimum wage).

WSSD2 should reaffirm the duty of business enterprises to comply with the right of all workers to a remuneration which is fair and ensures a decent living for themselves and their families, and to support that right in supply chains. The human rights due diligence companies are expected to carry out in order to identify, prevent, mitigate and account for how they address their adverse human rights impacts (Guiding Principles on Business and Human Rights, principles 15 and 17; Guiding Principles on Extreme Poverty and Human Rights, paras. 100-101), should include a review of their buying practices and of their relationships with their suppliers to ensure they encourage compliance with the right to a living wage.