

Tackling Poverty – Is Relying on Rights Right?

B. Malo de Molina, T.N. Smith, Y. Zenebe

The Global Experience of Poverty: Too Complex to Inform a Particular Right?

In seeking actionable measures to address the problem of poverty, many individuals, States and intergovernmental organizations are focused on the progressive implementation of several rights that have already found expression in fundamental documents of international law, such as the right to water and education found in the International Convention on Economic, Social and Cultural rights (“ICESCR”)². The definition of poverty is steadily moving towards a human rights-based vision highlighting its underlying multitude of causes. This is based on the recognition that real success in poverty eradication requires giving the poor and vulnerable a stake, a voice and real protection in the societies where they live. For example, a report from the United Nations Development Program (UNDP) on ‘Poverty Reduction and Human Rights’ states that recent poverty eradication approach includes such activities as empowering people to participate fully, equally and responsibly in decision-making; and also conducting advocacy and awareness-raising campaigns and fostering access to information in a user-friendly way in local languages for broader outreach. It also attempts to ensure that poverty analysis addresses the multiplicity of causes of deprivation, exclusion and discrimination of the poor. This approach points to a holistic approach to human rights and poverty reduction through the integration of economic/social rights together with civil/political rights³.

For the purposes of this paper, we explore different rights including the right to water and education in order to examine the extent to which a human rights based approach to eradicating poverty can be effective. Despite the generally high level of discomfort that quickly comes to the

² See, among others, General Comment 15 of the Economic and Social Committee, the Millennium Declaration, the Convention on the Elimination on Discrimination of Women and the Convention on the Rights of the Child. The right to water is also connected to many other rights due to the link between living in dignity and access to water, most significantly under article 11(1) of the ICESCR – the right to an adequate standard of living.

³ <http://www.undp.org/policy/docs/povertyreduction-humanrights0603.pdf>

fore when one attempts to prioritize the importance or fundamental nature of any particular set of rights, one could argue that the right to water, given humankind's physiological imperative, is difficult to debunk. The right to water as a fundamental right that should be defended in the pursuit of the ultimate eradication of poverty, given our view that water availability is principally a problem of the poor. Our view is that the time and resources on their search and procurement of water people expend in order to survive are time and resources which cannot then be expended in an effort to endeavor to improve other aspects (nutrition, housing, labor, even education) of their lives which may be likely to improve their situation. Therefore it is essential that the right to water be protected as a human right. However, as basic as the right to water is, after examining case studies, a rights based approach to water seems not enough in order to even fulfill this most fundamental human right.

Similarly, the right to primary education would appear to be self-evident in the pursuit of the Millennium Development Goals⁴, given that facilitating and encouraging the most basic ability to express (in writing and in mathematics) human thought, capabilities and talents is arguably, particularly in today's global market economy, a prerequisite for hoping to disrupt if not break entirely the cycle of intergenerational poverty.

Given the review of these two rights, we posit in this paper that while certainly important and worthwhile in addressing poverty, it may not be enough to concentrate exclusively on the rights of individuals and the responsibility of States to respect, protect and fulfill those rights. A rights or rights-based approach to combating poverty, while important and necessary, is unlikely to be sufficient. The causes of poverty and the systems which may, knowingly or unwittingly, perpetuate poverty within a given community are so varied and so difficult to synthesize into formulaic "cause and effect" frameworks, that it may be extraordinarily difficult to distill and reach consensus on a set of rights and responsibilities that, once codified in international agreements, would adequately be able to address poverty-related issues again at the community level or convince governments to fulfill them. While the experience of the human individual in relation to needing water is independent of cultural background or circumstance, and can be said to be globally applicable, the same is not true regarding poverty or even why a particular person or community does not have access to water. The reasons why one individual is and remains

⁴ <http://www.un.org/millenniumgoals/>

poor in Asia are unlikely to be the same reasons as those that apply to a poor individual in Africa, Europe or the United States of America. The poverty of a particular rural community in India is unlikely to have the same causes as the poverty of those living in urban slums. It would appear that it is infinitely more complicated to establish a universal human rights approach which would adequately address the 1.3 billion people conforming to the United Nation's definition of poverty, or earning less than US\$ 1 per day, or the 3 billion earning less than US\$ 2 dollars a day⁵ in their particular day-to-day circumstances and experiences.

It is important to distinguish the purchasing power of US\$ 1 or US\$ 2 in different countries and localities, and to question whether this measure of poverty is adequate to address the daily circumstances of the poor in the developing world and the poor in the developed world. The distinctions between different states of poverty become apparent upon reviewing the benchmarks that are applied by different NGOs and foundations as they attempt to measure their impact on a given community. These measures range from whether a person owns sandals or winter clothing, number of saris owned, type of household roof and latrine, to household dependency burden (ratio of household members to household income earners) and ownership of productive assets or land⁶. The breadth of these indicators is the breadth of the causes and perpetuating factors of poverty in a particular community or village. The difficulty in bringing all of these varied factors to expression in a single benchmark is the same difficulty that prevents freedom from poverty being expressed as a human right.

This difficulty notwithstanding, the international community would do well to insist that States provide their citizens with a minimum threshold level of the universally agreed human rights including education and basic subsistence services in the form of food and water, in addition to a greater or lesser set of civil and political rights. Nevertheless, it is arguable that even this would serve to unlock the human potential that inevitably stagnates in the poverty quagmire. Persons without adequate access to water, for example, will devote a significant amount of time and other resources to securing an adequate water supply for themselves and their families. Survival and self-preservation, when threatened, are and will remain the principal concern for the human individual. Nevertheless, even in the event that a particular State is able to

⁵ Grameen Foundation USA (www.grameenfoundation.org)

⁶ Nathaniel Goldberg, *Measuring the Impact of Microfinance: Taking Stock of What We Know*, December 2005, Grameen Foundation USA Publication Series

actively respect/protect/fulfill an individual's right to water, food, education and other basic subsistence rights, there would still be a possibility that certain populations or communities would continue to live in a state of poverty for any number of reasons or generational paradigms which may remain unbroken. Therefore we recognize that there other approaches that can be more effective than a human rights based approach to immediately implementing access to water and education and eradicating poverty.

The Right to Water and the Millennium Development Goals

In order for the right to water to be implemented governments, NGOs and international agencies need to create laws and policies and provide education, assistance, and empowerment to communities. When the right to water is adopted into international and national law, it is only a preliminary step and does not necessarily lead to on-the-ground actionability.⁷ While legal rights are often a prerequisite to water access, they are not always sufficient to cause the implementation of the right. It is important to remember that the right to water can be implemented in various ways,⁸ and that due to local complexities of a particular situation, seeking access to water through claiming a legal right from the State as duty bearer does not always yield results. Often, creative and innovative solutions beyond the traditional national and State human rights based approach are most effective and result in a more immediate outcome.

Insufficient water supply is a principal cause of sustaining extreme poverty. The international community began to address this issue in the 1980s and 90s: several conferences declared water as a basic need⁹, and the international community began pressuring states to fulfil their duties in providing access to water for their populations. Nevertheless, there was little response by international governments. In 2000, the right to water was declared a Millennium Development Goal in the Millennium Declaration, which includes a goal to halve the number of people unable to reach or afford safe drinking water by 2015.¹⁰

⁷ World Water Forum. Implementation of the Right to Water.
http://www.worldwatercouncil.org/fileadmin/wwc/Library/RightToWater_FinalText_Cover.pdf

⁸ Ibid.

⁹ Mar del Plata (March 14.-25, 1977) Programme of Action, U.C. Doc. E/CONF.70/29.

¹⁰ United Nations Millennium Declaration, General Assembly Resolution 55/2, 8 September 2000, U.N.Doc. A/RES/55/2, Para. 19.

There has been much controversy surrounding this MDG and currently, most water experts and NGOs do not believe that it will be accomplished. Based on results obtained through monitoring during the first five years of MDG implementation, providing access to safe drinking water will be met only in South Asia, Latin America and the Caribbean, though it is unlikely to be achieved for the rest of the world.¹¹ Despite the lack of outstanding progress, the Millennium Goals place water squarely within the context of human rights law. By recognizing water as a right, international discourse is empowered to pressure state governments and the institutions that have the largest responsibility and capability of providing people with the right to water. Through a rights based approach, an individual's right to access potable water can be respected protected and fulfilled through legal means, pressuring governments that are the legal duty bearers to act proactively to the greatest extent possible and progressively.

A Rights-Based Approach to Water

The World Water Forum (WWF) in their Implementation Paper provides good examples of the importance of a rights based approach to water. The rights based approach enables states to ensure domestic implementation and active participation. WWF provides two relevant cases in South African and Uruguay where the right to water is recognized in their national constitutions.¹² In South Africa, the government has invested considerable capital in providing access to water and its sanitation program and is subsequently regarded internationally as a model of good practice in sanitation. After passing a referendum to recognize the rights to drinking water, Uruguay has achieved the best drinking water and sewer coverage in Latin and sanitation as a right under the constitution.¹³ WWF also mentions that the human rights based approaches in Africa have been successful at implementing access to water. In Morocco, the National Program for Rural Water Supply and Sanitation, using a human rights based approach, aimed at developing distributions a program that enables rural populations, particularly Moroccan women, to manage the water themselves. Between 1995 and 2003, the project

¹¹ Rosseman, Neil. Financing Human Rights to Water as a Millennium Goal. 60th United Nations Human Rights Commission on 21 March 2004.

¹² World Water Forum. Implementation of the Right to Water. http://www.worldwatercouncil.org/fileadmin/wwc/Library/RightToWater_FinalText_Cover.pdf

¹³ Ibid.

increased access to drinking water and sanitation in rural areas from 20 to 50%. The success of the program was not only in providing access to water to for more than 30% of the population, but focusing the protecting and building the capabilities of women. Enabling women control over distribution of the water meant that water supply systems were designed in such away that women and girls would not have to spend two thirds of their day fetching for water thereby increasing school attendance for girls from 30% to 50%.¹⁴

Beyond a Rights-Based Approach

A human rights based approach can be very successful in providing the access to water. There is no question that it should be the priority in approaching the right to water. However, even the World Water Council recognizes that “even though a legal framework exists because of a lack of financial and human resources or absence of political will,” the right is not always implemented in practice.¹⁵ Therefore, the Council advocates considering the implementation to water to have different meanings strategies in every situation. We propose that these strategies beyond the traditional human rights based approach can be more effective.

Last year during a UNDP workshop in Oslo, researches and practitioners discussed a rights based approach to water. The field workers voiced their concerns that the rights based approach framework resulted in a major backlash due to the politicization of the issue and the creation of exaggerated legal demands and expectations. This led to government denial and reticence, making government cooperation and approval for UNDP projects much more difficult, if not impossible. Arguably, if there had not been so much pressure put on governments to implement the access to water through legal rights, much more could have been accomplished.¹⁶

In 2006, the Cultural Quarterly Survival collected some of these UNDP and other group’s experiences on implementing the right to water based on a human rights approach. Many of their cases show an original and inventive approach in providing access to water, including Dr. Neera

¹⁴ The World Wide Bank. Morocco: A Watershed for Education and Health. November 2003. <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20135983~menuPK:141310~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

¹⁵ Hofwegen, Paul. Water, Environment and Development: Progress and Initiatives. World Water Council. http://www.pemsea.org/eascongress/docs/post-congress/plenarykeynote_paul.pdf

¹⁶ Wilson, Emlie. Seminar on Indicators for Human Rights Based Appricahes to Development. UNDP. Oslo. March 30th 2007.

Burra's (Senior Social Development in India's UNDP Office) report on indigenous women in Western Orissa, India, mobilizing to effectively to gain greater access to water to improve drought-prone villages. As a result of the women's initiatives and help from an NGO, 152 villages improved their access to water. While success within the women's initiative was in part due to building the capabilities of women, it did not involve pressuring the government to implement a legal right for water. Instead, it worked at facilitating individual capabilities and cooperation between communities.¹⁷ One of the women recalled after her village protested against the government:

The government gave some token support to us by sending water in tankers to the village in, but clearly this was not a solution. The local women's collective decided to take matters in their own hands. With the assistance of a local NGO, they drew up a Village Resource Map, and the Rani Jhola stream was tapped and a permanent diversionary dam was constructed. The entire village using traditional wisdom worked to build a large water harvesting pond on a seven-acre plot.¹⁸

In the Andean region of Latin America, Water and Indigenous Rights Program reported of indigenous and peasant groups adopting strategies to counter government regulations of water. In Latin America water sources are often diverted away from indigenous groups in order to provide water to the rest of the country. In Ecuador and Bolivia the Confederation of Indigenous Group has taken up the slogan: *protesta con propuesta* (protest with proposal), formulating their own positive water reform alternatives. In the Chimborazón, Ecuador the group organize themselves into their own *interjunta* (federation) that defends itself against the state, bureaucracy, landlords, and powerful companies while mediating conflicts between themselves.¹⁹ The *interjunta* formulates creative solutions when the government is unable or unwilling to meet their needs and rights. Indigenous groups in Latin America, seeking access to water, develop their own initiatives rather than seeking a rights based approach, given existing

¹⁷ Lutz, Ellen. Quarterly Cultural Survival. Water Rights and Indigenous People. January 2006. <http://www.cs.org/publications/csq/index.cfm?id=29.4>

¹⁸ Ibid.

¹⁹ Ibid.

power imbalances.²⁰ Through these initiatives, the interjuntas are much more successful in obtaining access to water, regardless of their non-legal status.

Not only should priority be given to cultural, social and political situations but consideration should be given to the pragmatism of using a human rights approach in a particular situation. In some cases, it will only hinder delivering water to the people, in others it will be either completely or partially ignored by the government, such as in the Indian and Andean cases. Regardless of the approach, whether rights based or not, ensuring a population's safe access to water is of preliminary importance. As advocated by the World Water Foundation, while practitioners should approach access to water with a rights based approach in mind, the most important thing to remember is the situation on the ground and the imperative to implementing the most effective plan of action.

Education and Poverty Eradication

The relationship between education and poverty reduction is quite straight and linear. We may ask here what education can contribute to poverty eradication, and why, among other approaches to poverty eradication, have we chosen to focus on education. It is true that education may not have an immediate or short-term effect on poverty eradication as other approaches that aim at providing the poor with food, water, shelter, and money and health services. Nevertheless, there is a substantial body of literature tracing the theory and evidence relating to the ways in which the material wealth or income of a population is connected to standards of education and health, and also to fertility²¹. Education gives people not just qualification for employment, but more importantly it creates opportunities and enables empowerment in the lives of individuals.

The relationship between poverty and education could be best seen in the World Bank study that was conducted in the 1990s with poor or marginalized societies around the world. The study entitled, 'The Voices of the Poor' was carried out to enable a wide range of poor people in diverse countries and conditions to share their views in such a way that they can inform and contribute to the concepts and content of the World Development Report 2000 on the theme of poverty and development. The result of the study highlighted the fact that education is one

²⁰ Ibid.

²¹ UNESCO report http://portal.unesco.org/education/en/ev.php-URL_ID=9019&URL_DO=DO_TOPIC&URL_SECTION=201.html . See also Sen, Amartya. 1999. *Development As Freedom* and Banik, Dan. 2006. *Power, Poverty and Development*

concern of the poor, as they believe it can provide them with opportunities to come out of the state of poverty they are in²². This implies that an effective anti-poverty strategy should incorporate the enhancement of education and skills in poor households. It is therefore the role of education in empowering society and engaging them in decision-making and in bringing about opportunities and choices for people that is crucial in tackling poverty.

The Right to Education and a Rights Based Approach

In the fight poverty through education, the use of law (both international and domestic) can be an indispensable weapon of social mobilization in bringing about the desired change. An important step has clearly been the inclusion of a right to education in the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and other legally binding treaties, ratified voluntarily by a majority of States²³. Education is thus considered a fundamental human right, essential and indispensable for the full exercise of many other human rights and for development. According to General Comment 13 by the Economic and Social Council of the United Nations, education is the principal vehicle through which adults and children who are economically and socially marginalized can bring themselves out of poverty. As a result, States party to these and similar covenants and treaties are bound to respect, protect, provide and facilitate the right to education to their respective populations²⁴.

A human rights based approach to education is very important in that it focuses on the most marginalized and excluded in society whose human rights are most widely denied or left unfulfilled²⁵, giving them legitimate claims that give rise to correlative obligations or duties of states. At the World Education Forum, held in Dakar (Senegal) in 2000²⁶, the international community gave itself 15 years to achieve the objective of "Education for All" (EFA). Ever

²² See The World Bank Group, Voices of the Poor: Reports <http://www1.worldbank.org/prem/poverty/voices/reports.htm>

²³ Including Article 26 of the Universal Declarations of Human Rights and Article 13 and 14 of the International Convention on Social, Cultural and Economic Rights, the right to education forms part of both Covenants and, indeed, all core human rights treaties.

²⁴ As clearly stated in the General Comment 13, States' activities with regards to the right to education are not only limited to respecting people's right to education but they also must respect the availability and accessibility of education, fulfill (facilitate) the acceptability of education and fulfill (provide) the adaptability of education.

²⁵ Almost 100 million school-aged children currently do not have access to education, 55 % of them are girls and 771 million adults world wide are illiterate, and over two-thirds of these are women. Find more on http://portal.unesco.org/education/en/ev.php-URL_ID=43953&URL_DO=DO_TOPIC&URL_SECTION=201.html

²⁶ see <http://www.unescobkk.org/index.php?id=365>

since, many international organizations and states have incorporated the rights based approach in their activities regarding education. UNESCO Bangkok, for example, is working closely with UNESCO's Headquarters supporting Ministries of Education and NGOs to mainstream a human rights-based approach into programs and activities aimed at achieving education for all in the Asia-Pacific region. Many countries in the rest of the world have also taken steps in adopting the right to Education in their domestic laws and in implementing the rights based approach to education in order to provide education to all their citizens. In Madagascar, the government has implemented a program for the promotion of basic education for all with an attempt to meet the basic educational needs of children of all backgrounds and social categories²⁷. In Kenya, 2003 began on a positive note with a new children's law guaranteeing free primary school education.

These rights based activities in various parts of the world have been successful in contributing to the universalization of education. Already at the second level of the program (phase 1: 2001-2005, phase 2: 2005-2009), the mid-term evaluation of the Madagascar basic education for all campaign resulted in highly positive overall findings including a 76.4% increase in literacy among the participants²⁸. In Kenya, improvement in enrollment rate has been reported ever since the new children's law. For example, the number of primary school children in the country who went on to secondary education had increased from 52% in 2004 to 60% in 2006²⁹. One of the biggest groups to benefit from this was Kenya's estimated 1.2 million AIDS orphans. Similarly, in Ethiopia improvement in enrolment rate in primary school has been recorded with an increase in budget allocation for education as well as improved collection of statistics regarding school attendance³⁰.

Beyond a Rights Based Approach to Education

²⁷ The government received support from the UN system (International Labor Organization, Food and Agriculture Organization, United Nations Population Fund, World Food Program, United Nations Development Program, World Health Organization, UNESCO and the United Nations Children's Fund

²⁸ Joint Malagasy Government-United Nations System Program for the Promotion of Basic Education for All Malagasy Children: Program Overview. November 2004. Visit the Joint Program web-site : www.unesco.org/primary/education/madagascar

²⁹ Committee on The Rights of the Child: Summery Record Of The 1203rd Meeting, held at the Palais Wilson, Geneva, on Tuesday, 16 January 2007.

³⁰ Committee on the Rights of The Child: Concluding observations/Comments: Ethiopia. 01/11/2006. CRC/C/ETH/CO/3. Visit [http://www.unhcr.ch/tbs/doc.nsf/\(Symbol\)/CRC.C.ETH.CO.3.En?Opendocument](http://www.unhcr.ch/tbs/doc.nsf/(Symbol)/CRC.C.ETH.CO.3.En?Opendocument)

As seen in the above examples, a human rights based approach to education can be successful in providing education for all by giving recognition that real success in tackling poverty and vulnerability requires giving the poor and vulnerable a stake, a voice and real protection in the societies where they live. Nevertheless, in situations where governments fail to guarantee the implementation of the right to education as incorporated in their respective domestic laws, a rights based approach may face serious challenges and eventually fail to bring about the desired results. Importantly, not all countries have ratified the necessary international human rights laws without reservation. Even those who have made the necessary commitment to providing free and compulsory quality basic education for all, millions of children still remain deprived of educational opportunities, many of them on account of poverty. This is common in poor countries where governments advocate free access to education for all but lack the necessary resources and capacity to implement it. As a result, action taken by States is often met with significant obstacles.

In Kenya, for example, the rapid increase in school enrollment following the introduction of a policy of free primary education in 2003, placed significant challenges to the sufficient allocation of financial resources, commonly resulting in a poor physical school environment lacking adequate infrastructure, trained teachers, and appropriate water and sanitation facilities³¹. What is more, school fees, the cost of uniforms, supplies and transportation may well be beyond the means of a poor family, especially when the family has several children of school age. This means that poor families are forced to make troubling choices, often resulting in children dropping out of school or, or enrolling only male children, thereby contributing directly to maintaining the inferior status of women. Similarly, a number of complex and interrelated factors contribute to the low enrollment and high drop out rates of girls in Ethiopia. To begin with, primary education is still not free in the country and net enrolment is still very low³². Moreover, in much of the country there is a lack of adequate appreciation of the importance of girls' education on the part of parents and the community, particularly in rural areas where the majority of the Ethiopian population reside. Age-old traditions such as abduction and early

³¹ Committee on the Rights of The Child: Concluding observations/Comments: Kenya. CRC/C/KEN/CO/2, 2 February 2007
<http://www.ohchr.org/english/countries/ke/index.htm>

³² Committee on the Rights of The Child: Concluding observations/Comments: Ethiopia. 01/11/2006. CRC/C/ETH/CO/3. Visit
[http://www.unhcr.ch/tbs/doc.nsf/\(Symbol\)/CRC.C.ETH.CO.3.En?Opendocument](http://www.unhcr.ch/tbs/doc.nsf/(Symbol)/CRC.C.ETH.CO.3.En?Opendocument)

marriage, which is a common phenomenon in much of the country, reinforce attitudes that decry the value and need to send girls to school³³.

Putting the right to education into both international and domestic legal systems, therefore, may not always sufficiently guarantee the promotion of education for all. States, particularly developing countries, face several socioeconomic and cultural challenges when implementing a rights based approach to education and, as a result, may fail to achieve the desired results. At times, looking beyond a rights based approach to education and considering other approaches that may not necessarily be rights based but could contribute to the promotion of education may be a solution.

An example of such approaches is the unique program in the Alaba area of Southern Ethiopia, a program generated and owned by the community itself. The Program, called 'Community Conversation', was conducted by a local NGO, Kambatti Mentti Gezzima (Kambatta Women Self-Help Centre), supported by the United Nations Development Program (UNDP). Although the main aim of Community Conversation in the area was to create awareness about HIV/AIDS among the society, it is an educative and innovative strategy to break the silence and address factors fueling the epidemic by stimulating community-based responses, through mobilizing communities to generate insights on the underlying harmful traditional practices such as early marriage, Female Genital Mutilation (FGM), abduction etc. The program is said to be very successful in achieving desired results including a reduction of FGM from 100% to less than 15%³⁴. The experience of community conversation in Ethiopia shows that approaches to education, despite non-legal basis, could be successfully implemented to promote education and can bring the desired changes in values and norms if given the chance

Undoubtedly, education is a human right and a powerful instrument for poverty reduction. On various occasions including during the World Education Forum held in Dakar in April 2000, the international community has voiced its agreement on the need to eradicate extreme poverty and has given its collective commitment to work towards this aim employing a

³³ According to studies conducted by the National Committee on Traditional Practices of Ethiopia (NCTPE), 57 per cent of girls in Ethiopia marry before the age of 18. The practice occurs in its more extreme forms in northern Ethiopia with girls getting married as young as eight and nine years of age, and in some instances are even pledged at birth. Early marriage rates in Amhara and Tigray region are much higher than the national average, 82 and 78 percent respectively, according to NCTPE studies.

³⁴ See report from United Nations Mission in Ethiopia and Eritrea (UNMEE)
http://www.unmeeonline.org/index.php?option=com_content&task=view&id=1242&Itemid=53

rights based approach to education. Adopting such an approach is very crucial in that human rights add value to the agenda for development by drawing attention to the accountability to respect, protect, promote and fulfill the right to education of all people. Nevertheless, as highlighted above, a human rights based approach to education, although with a main emphasis on implementation of laws, may not be sufficient if it fail to address the economic, social and cultural problems of communities on the ground. It is therefore crucial, in addition to a right-based approach, to recognize approaches that may not necessarily be rights based but can become successful in promoting education across the world.

Can Microfinance Complement a Rights-Based Approach to Effectively Address Poverty?

The question then remains, even if human beings no longer need be concerned for their basic survival or educational needs, is this enough to lift a family or a community out of poverty, or are there other additional structures or elements that must be in place in a given society in order to focus the available resources of time, human energy and talent? When considering the potential causes of poverty, it seems significant that, for many in poor communities, real access to a local market economy is virtually non-existent: individuals do not have the means by which to create, express, grow or perhaps even bring goods or services to be bartered or sold in the local economy, whatever form it may take. In fact, newfound access to the local market and the ability to engage actively in that market through and with one's own capabilities is at the root of the many success stories that have been highlighted since the establishment of the current conception of microcredit by Prof. Muhammad Yunus in Bangladesh in 1976.³⁵ Particularly since Prof. Yunus and the Grameen Bank were awarded the Nobel Peace Prize in November 2006, increasing focus has been given to the impact that microfinance (loans as small as the equivalent of US\$ 30 or US\$ 100) can have on an individual's ability to address his or her own poverty dynamic. In the decades preceding the Prize, the UNDP, United States Agency for International Development (USAID) and other large and small NGOs, as well as private³⁶ and

³⁵ United Nations Development Programme (UNDP), *Microcredit at Work*, 01 June 2003

³⁶ For example, Citigroup, the world's largest financial services company, has created a unit devoted to microfinance and has, through the Citigroup Foundation, contributed nearly \$32 million in funding to microfinance institutions (MFIs) and microfinance networks over the past 7 years. These funds "provide long-term, sustainable impact to low-income families and communities in more than 50 countries." Given Citigroup's global network, employees also volunteer in their local communities to provide technical assistance, financial education and encourage policies that support microfinance (<http://www.citigroup.com/citigroup/citizen/microfinance/index.htm>).

government organizations have documented individual and community cases of how small, uncollateralized group loans can be structured to provide capital to groups that would otherwise not be considered “bankable” by prevailing banking standards³⁷, facilitate access to local markets, encourage entrepreneurial activity, and enable individuals to tackle the particular sources of their own economic disadvantage.

The fact that an individual’s rights are being protected to the extent that (s)he is no longer expending all of his or her resources ensuring daily physical survival, does not in and of itself ensure an end to poverty. Access to capital may also not be enough to end the cycle of poverty, and though the mantra of microfinance is one upward mobility, it is important to remember that the success stories do not happen overnight, that there are significant program drop-out rates, and cases where the availability of microfinance may have no, mixed, or even negative results³⁸. Nevertheless, the positive impact of microfinance on millions of lives is at this point undeniable, and the positive trend that began in Bangladesh is gaining currency all over the world and with all manner of persons and institutions. Making capital available to a person who is then able to secure an income-producing or income-facilitating asset (a sewing machine, an ox, a rickshaw, etc.) can add a large measure of financial stability and security, and can enable a family to rise above their previous circumstances. The fungible nature of capital, the fact that it can be employed to address the nexus between the particular circumstances of a person, his/her capabilities or talents, and the demand present in local markets is the essence of what makes microfinance flexible enough as a model to allow application in markets as varied as the Philippines and New York City.

The microfinance model has evolved significantly over the last 30 years. Most microfinance programs today have important additional elements that complement basic money-lending, and that are largely accredited with not only the reportedly high repayment rates (over 95% is the most often-quoted number), but also with the wider social impact that microfinance programs

³⁷ Persons without available collateral or prior banking experience, women, and even beggars. Loan structures vary greatly, but risk diversification strategies for the lenders include lending to non-related groups of four or five who are then jointly and severally responsible for loan repayment in the absence of collateral, education of and increased contact with lenders through community outreach and social programs, etc. For examples, see Grameen Bank’s website at www.grameen-info.org or www.grameenfoundation.org or www.gfusa.org.

³⁸ N. Goldberg, see above.

can have on lifting a person, a family, or a village out of the cycle of poverty. These elements involve fundamental financial and money management education, as well as basic health education, including contraception, breastfeeding, child nutrition, etc. While it would be perhaps unreasonable to suggest that basic financial knowledge or parenting skills should be a human right, or that having access to some form of capital or financial service should be a human right, the impact that these and similar elements have had on the daily lives of millions of people, particularly children, in many different parts of the globe is undeniable. The results that have been demonstrated in terms of microfinance's ability to, in many cases, lift entire families out of the cycle of poverty and enable them to lead sustainable and dignified lives indicates that it is perhaps not only the rights-based approach that can have an important and tangible impact on the lives of the world's poor, and in particular on the lives of poor women who, in a striking reversal and departure from the obligatory non-discrimination mantra of the rights-based approach, are the principal beneficiaries of microfinance efforts³⁹.

Addressing Poverty through the Evolution of Microfinance

It would be misguided to believe that providing micro loans and education for the poor is the panacea and the cure for poverty. A recent review of the impact of microfinance around the world, based on original research studies concludes that a "review of the literature provides a wide range of evidence that microfinance programs can increase incomes and lift families out of poverty," though this statement is duly tempered by arguments regarding the difficulty in accurately measuring the impact of microfinance and of engaging in regional comparisons given the myriad different programs currently active globally and the difficulty in defining adequate and unbiased control groups⁴⁰. Clearly, many other structural and regulatory elements are required for microfinance to reach its highest level of effectiveness, and some of these are rights-related. If a person's time and energy are consumed in the struggle for physical survival in the absence of clean water, there is very low likelihood of that person being able to devote time and energy to creating goods and services to trade with others, irrespective of the availability of

³⁹ As of February 2007, 97% of Grameen Bank's 7.01 million borrowers were women. The Bank's loan recovery rate is 98.49% (source: www.grameen-info.org).

⁴⁰ Nathaniel Goldberg, *Measuring the Impact of Microfinance: Taking Stock of What We Know*, December 2005, Grameen Foundation USA Publication Series

capital. Other elements required include, but are not limited to, State policies that allow for the existence of NGOs involved in microfinance, the transparency, accountability and governance of microfinance institutions themselves⁴¹, adequate access to information (both by and from microfinance institutions) and adequately addressing any additional complications related to women's participation in commerce given religious, family or other cultural obstacles.

The available literature on the topic of microfinance also devotes considerable attention to some of the perceived shortcomings of the current microfinance model, including valid queries regarding exclusion of the poorest of the poor, the provision of credit facilities versus savings opportunities, the charging of interest rates, the availability of other financial products and services such as life and health insurance for the poor, etc. And it is clear that the industry has responded to these concerns. Taking into consideration programs such as Grameen Bank's Struggling (Beggars) Programme, which went from providing non-collateralized, interest-free loans to currently over 92,000 Bangladeshi beggars, all of which are covered under life and loan insurance by Grameen Bank free of charge, the expectation is that the institutions that are committed to microfinance will continue to be flexible and responsive to these critiques.

As the microfinance industry continues its evolution, it is refreshing to note that the actions that are taken result in an immediate and tangible impact to the lives of the hundreds of millions of impoverished individuals throughout the world. It is with a measure of hope and inspiration that one considers the paradox highlighted by the UN Under-Secretary General Mr. Anwarul Chowdhury: "As a result of [many] impediments, access to microcredits remains limited. In most LDCs, the penetration rates [of microfinance] hardly exceed 1 per cent. That, at the same time, also tells us about the huge potential of expansion of microcredit programmes in these countries, thereby contributing to their poverty reduction efforts."⁴²

⁴¹ Lending rates of many microfinance institutions continue to be the subject of heated debate, as is the non-profit versus sustainability aspect of these institutions. As a dramatically increased number of microfinance and micro-lending institutions become established and active, and as traditional banks recognize a potentially new or underserved market, the perils of overindebtedness of persons who are not financially savvy will potentially become more acute and the product offering of these institutions (i.e. consumer spending loans versus funding of small entrepreneurial enterprise or educational loans) will require significant oversight and consideration.

⁴² Statement by Mr. Anwarul K. Chowdhury, UN Under-Secretary General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in the 2nd Committee of the 59th Session of the General Assembly, on item 89(a), Implementation of the first UN Decade for the Eradication of Poverty (1997-2006), 15 November 2004.

While microfinance in general does not purport to explicitly support a human rights based approach (particularly in that it does actively discriminate in terms of borrower eligibility, clear preference for female rather than male clients, lack of rights holder/duty bearer structure involving the State, etc.), it is clear that certain elements such as empowerment, transparency and accountability are central to the effective functioning of microfinance programs. Nevertheless, while many who have the luxury to do so will indulge in the debate of whether this impact is entirely adequate or entirely comprehensive, few can deny that the results over the past 30 years have largely been positive for a vast group of individuals whose needs are likely far better served by a strong ox or a functioning sewing machine than by the most elegantly drafted and politically palatable signed, ratified and implemented international rights convention.

Conclusion: Is a Rights Based Approach to Poverty Right?

Given the different examples and discussions outlined in this paper, it is our conclusion that while a rights based approach and framework should be the background and perhaps the starting point and guide for any practitioner of human rights and of aid in general, the approach can at times demonstrate significant flaws or drawbacks in its application. Furthermore, there exist approaches to combating poverty that fall clearly outside the scope of a rights based approach, and could potentially be considered the exceptions that test the rule. Therefore, we would conclude that while a rights based approach is necessary, particularly in the long term inculcation and assimilation of rights into governance of peoples, it is unlikely to be sufficient, and should therefore be open and flexible enough to accommodate local circumstances and events, as well as complementary approaches.