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**Promotion and protection of human rights: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms**

## Extreme poverty and human rights

### Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Special Rapporteur on extreme poverty and human rights, Olivier De Schutter, in accordance with Human Rights Council resolution [44/13](#).

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\* [A/76/150](#).



## **Report of the Special Rapporteur on extreme poverty and human rights, Olivier De Schutter**

### **The persistence of poverty: how real equality can break the vicious cycles**

#### *Summary*

In the present report, the Special Rapporteur on extreme poverty and human rights, Olivier De Schutter, observes that children born in disadvantaged families are denied equal opportunities: their chances of achieving a decent standard of living as adults are significantly diminished by the mere fact that their parents are poor.

The Special Rapporteur examines the channels through which poverty is perpetuated, in the areas of health, housing, education and employment. The growth of inequalities itself is an important contributing factor: the more unequal societies are, the less they allow for social mobility, and wealth inequalities are particularly corrosive in that regard.

Ending the vicious cycles of poverty is within reach. Investments in early childhood education and care, inclusive education, the provision of a universal basic income for young people combined with an increased taxation of inheritance, and the prohibition of discrimination on grounds of socioeconomic disadvantage are key to breaking the cycles that perpetuate poverty. People in poverty face systemic discrimination in societies that remain deeply segregated by wealth: this calls for systemic remedies to overcome inherited divisions.

## I. Introduction

1. Equality of opportunities is at the heart of our understanding of a just society. This ideal is based on a simple conviction: no child should be penalized for being born in poverty. However, it is far from being realized today. Children born poor have significantly more chances of remaining poor in their adult lives because of a number of mechanisms that perpetuate poverty from one generation to the next. In countries in the Organization for Economic Cooperation and Development (OECD), it would take around four to five generations for children from the bottom income decile to attain the level of mean earnings. Some 63 per cent of children with highly educated parents achieve tertiary levels of education, while this is the case for only 15 per cent of children whose parents did not complete secondary school, and only 7 per cent of children with highly educated parents have only a primary education, compared with 42 per cent of those whose parents' highest level of education was lower secondary. Children whose parents are wealthy also have 13 per cent less chance of having a chronic health condition as adults.<sup>1</sup>

2. Globally, the intergenerational persistence of privilege at the top quartile of education and of deprivation in the bottom half is far more common than movements up or down.<sup>2</sup> While individuals born in the 1940s had a higher chance of moving from the bottom half to the top quartile in developing countries than in developed countries, the situation has now reversed: upward mobility is now declining in the developing world, and persistence at the bottom is rising.<sup>3</sup> Low relative mobility means that both privilege and poverty are more likely to persist across generations, with clear impacts for those in poverty.

3. The present report contrasts the ideal of equality of opportunity with the reality of the perpetuation of poverty. Once we understand the mechanisms that perpetuate poverty, equality of opportunity appears to be a radical idea: it requires changing the conditions faced by children born in low-income families, and starting at the earliest age, by investing in early childhood education and care since the earliest interventions are likely to be the most effective in overcoming disadvantage.<sup>4</sup> The persistence of child poverty is not only a human rights violation; it also jeopardizes the future, and the societal costs of inaction are enormous. In a country such as the United States of America, child poverty costs over \$1 trillion annually, representing 5.4 per cent of its gross domestic product (GDP), taking into account the loss of economic productivity and increased costs in health and crime costs, as well as child homelessness and maltreatment. Investing in children, on the other hand, has considerable returns: for every dollar spent on reducing childhood poverty, seven dollars would be spared.<sup>5</sup>

4. The present report builds on both a systematic review of the evidence available concerning the perpetuation of poverty, and on the contributions of people living in or with an experience of poverty. The Special Rapporteur is grateful that he could convene two two-day expert meetings, facilitated respectively by the Luxembourg Institute for Socio-Economic Research with the support of Luxembourg and by the Gesellschaft für Internationale Zusammenarbeit on behalf of the German Federal

<sup>1</sup> Organization for Economic Cooperation and Development (OECD), *A Broken Social Elevator? How to Promote Social Mobility* (Paris, 2018), p. 14.

<sup>2</sup> World Bank, *Fair Progress? Economic Mobility across Generations around the World* (Washington, D.C., 2018), p. 125.

<sup>3</sup> *Ibid.*, p. 13.

<sup>4</sup> James J. Heckman, "The economics, technology and neuroscience of human capability formation", *Proceedings of the National Academy of Sciences*, vol. 104, No. 33 (August 2007), pp. 13250–13255.

<sup>5</sup> Michael McLaughlin and Mark R Rank, "Estimating the economic cost of childhood poverty in the United States", *Social Work Research*, vol. 42, No. 2 (June 2018), pp. 73–83.

Ministry for Economic Cooperation and Development, and that he could hold in-person and virtual participatory dialogues with people in poverty living in Europe (Belgium and Luxembourg), Latin America (Bolivia (Plurinational State of), Guatemala, Mexico and Peru) and Africa (Democratic Republic of the Congo). Testimonies from these participatory dialogues were essential to framing the issues explored in the present report and to identifying relevant recommendations. The Special Rapporteur wishes to thank all those who prepared for and participated in those dialogues. Their experience and expertise are an essential source of knowledge for combating poverty around the world.

## II. Factors perpetuating poverty

5. Children born into disadvantaged families have significantly fewer chances of achieving an adequate standard of living in adult life than children born into wealthier families. Poor access to health care and exposure to risk factors can lead to poor health. Poor health is not only costly where health insurance is insufficient or unavailable; it also reduces employment opportunities. Living in substandard conditions or in locations underserved by public services may also have significant impacts on the ability to escape poverty. Access to quality education is also often more difficult for families on low-incomes, and educational achievement is significantly impeded by circumstances faced in early childhood. Employment prospects are also weaker for reasons linked to socioeconomic disadvantage during childhood.

6. Perhaps even more striking than the various vicious cycles that perpetuate poverty is that both income inequality and wealth inequality are major explanations for why people remain trapped in poverty. Fewer opportunities for saving, acquiring or inheriting assets, and low coverage by social protection mechanisms mean that people experiencing poverty rarely have a chance to change their trajectories. While richer households respond to external and internal shocks with their accumulated wealth and earnings, social networks and higher education levels that enable them to get better paid jobs, poorer individuals have fewer options to mitigate risks and shocks.

### A. Health

7. More equal societies have healthier populations: the correlation between greater income equality and improved health outcomes (measured by indicators such as life expectancy or infant mortality) holds for both developed and developing countries.<sup>6</sup> In Africa and Latin America, health outcomes, including life expectancy, have been significantly worsened by the growth of inequalities, which are not compensated by increases in GDP per capita.<sup>7</sup> Evidence from these regions shows that GDP growth does not automatically lead to better health; how the outcomes of this growth are redistributed matter far more.

8. Poverty and ill health are interrelated. Disadvantaged groups are exposed to environmental hazards and extreme temperatures, and to financial barriers in

<sup>6</sup> Kate E. Pickett and Richard. G. Wilkinson, "Income inequality and health: a causal review", *Social Science & Medicine*, vol. 128 (March 2015), pp. 316–326; Salvatore J. Babones, "Income inequality and population health: correlation and causality", *Social Science & Medicine*, vol. 66, No. 7 (April 2008), pp. 1614–1626.

<sup>7</sup> Ibrahim Abidemi Odusanya and Anthony Enisan Akinlo, "Income inequality and population health in sub-Saharan Africa: a test of income inequality-health hypothesis", *Journal of Population and Social Studies*, vol. 29 (January 2021), pp. 235–254; B. Biggs and others, "Is wealthier always healthier? The impact of national income level, inequality, and poverty on public health in Latin America", *Social Science & Medicine* vol. 71, No. 2 (July 2010), pp. 266–273.

accessing health care. Adults with an early experience of poverty during childhood are at a higher risk of developing hypertension or chronic inflammation.<sup>8</sup> Moreover, poverty affects both the long-term health prospects of individuals and their economic prospects because of its impacts on the child’s development. The stress from living in scarcity leads to a physiological response – increased levels of stress hormones, the most well-known of which are the corticotropin-releasing hormones, cortisol, norepinephrine and adrenaline – which, while a natural and to a certain extent protective body reaction, may damage the brain if prolonged at high levels.<sup>9</sup> It can also damage the functioning of the prefrontal cortex, and thus impair learning, the regulation of behaviour and interpersonal relationships.<sup>10</sup> A committee of the American Academy of Pediatrics summarized this evidence by noting that “poverty and other social determinants of health adversely affect relational health”, which, “particularly the absence of emotional support by a nurturing adult, increases the risk of childhood toxic stress and difficulties in emotional regulation, early child development, and eventually, lifelong health”.<sup>11</sup>

9. Other studies confirm the link between poverty and family stresses, creating child adversities that in turn can trigger toxic stress, negative child health and social outcomes when poverty begins early or is deep or prolonged.<sup>12</sup> According to one study in the United States, individuals living in poverty have a life expectancy 10.5 years lower than middle-income earners.<sup>13</sup> In contrast, the richest 1 per cent of women and men live respectively 10.1 and 14.6 years longer on average than the poorest 1 per cent, and life expectancy over the past 15 years has grown two times faster for those in the top 5 per cent than for those in the bottom 5 per cent.<sup>14</sup>

10. Across European Union countries, 30-year-old men with less than upper secondary education can expect to live about eight years less than those with a university education on average.<sup>15</sup> In England, the difference in life expectancy between the richest and the poorest was 9.3 years for men and 7.3 for women in 2018<sup>16</sup> and, between 2003 and 2018, one in three premature deaths was attributable to

<sup>8</sup> Gregory E. Miller, Edith Chen and Karen J. Parker, “Psychological stress in childhood and susceptibility to the chronic diseases of aging: moving toward a model of behavioral and biological mechanisms”, *Psychological Bulletin*, vol. 137, No. 6 (November 2011), pp. 959–997.

<sup>9</sup> Rebecca Reynolds, “Glucocorticoid excess and the developmental origins of disease: two decades of testing the hypothesis”, *Psychoneuroendocrinology*, vol. 38, No. 1 (January 2013), pp. 1–11; Cristina Barboza Solís and others, “Adverse childhood experiences and physiological wear-and-tear in midlife: findings from the 1958 British birth cohort”, *Proceedings of the National Academy of Sciences of the United States of America*, vol. 112, No. 7 (February 2015), pp. E738–E746.

<sup>10</sup> Jamie L. Hanson and others, “Family poverty affects the rate of human infant brain growth”, *PLoS One*, vol. 8, No. 12 (December 2013), p. e80954.

<sup>11</sup> John M. Pascoe and others, “Mediators and adverse effects of child poverty in the United States”, *Paediatrics*, vol. 137, No. 4 (April 2016).

<sup>12</sup> United States of America, Office of the California Surgeon General, *Roadmap for Resilience: The California Surgeon General’s Report on Adverse Childhood Experiences, Toxic Stress, and Health* (Sacramento, California, 2020), p. 136.

<sup>13</sup> Gopal K. Singh and Hyunjung Lee, “Marked disparities in life expectancy by education, poverty level, occupation and housing tenure in the United States, 1997–2014”, *International Journal of MCH and AIDS*, vol. 10, No. 1 (2021), pp. 7–18.

<sup>14</sup> Raj Chetty and others, “The association between income and life expectancy in the United States, 2001–2014”, *Journal of the American Medical Association*, vol. 315, No. 16 (April 2016) pp. 1750–1766.

<sup>15</sup> OECD and European Union, *Health at a Glance: Europe 2018* (Paris, 2018), pp. 84–85.

<sup>16</sup> Public Health England, “Chapter 5: inequalities in health”, in *Health Profile for England: 2018* (2018).

neighbourhood deprivation: if everyone had the same risk of mortality as those in high-income brackets, almost 900,000 premature deaths would have been prevented.<sup>17</sup>

11. In turn, poor health leads to poverty, both because of the reduced productivity of workers as well as the costs of seeking health care. At least half of the world's population cannot get the health care it needs. In 2010, an estimated 808 million people spent more than 10 per cent of their household's total consumption or income on out-of-pocket health expenses, and almost 100 million people (97 per cent of them in Africa and Asia) are pushed into extreme poverty each year because of out-of-pocket health expenses.<sup>18</sup> Nearly half of Africans did not seek needed health care in 2014–2015, and 4 in 10 of those who did had difficulty in accessing that care.<sup>19</sup>

12. In addition to direct financial barriers, such as user fees, insufficient access to health care is explained in certain countries by the fear of discrimination or stigmatization, lack of education and transportation, and corruption:<sup>20</sup> One in seven (14 per cent) of those who accessed health services on the African continent has paid a bribe to obtain them.<sup>21</sup> Indeed, corruption in health-care systems was described as a major source of exclusion by many participants in the consultations led in preparation for the present report. Informal payments or bribery not only lead to high out-of-pocket spending on health, they also erode public trust in the health-care system and lead to reduced utilization of services.<sup>22</sup> An estimated 10–25 per cent of the \$7 trillion world health spending is lost to corruption, exceeding World Health Organization estimates for the amount needed annually to fill the financing gap to ensure universal health care globally by 2030.<sup>23</sup>

## B. Housing

13. Children from socioeconomically disadvantaged households are generally more likely to grow up in overcrowded, poorly insulated housing that is exposed to polluted and unsafe environments. They are also more likely to live in neighbourhoods that are “ghettoized”, violent and with inadequate access to essential services. These living conditions affect health, of course, both because of housing conditions as such – including exposure to high levels of air pollution, especially where clean energy is inaccessible or regulation insufficient<sup>24</sup> – and because of poor food environments and the limited access to green areas for physical exercise and leisure.<sup>25</sup> Limited access to

<sup>17</sup> Dan Lewer and others, “Premature mortality attributable to socioeconomic inequality in England between 2003 and 2018: an observational study”, *The Lancet Public Health*, vol. 5, No. 1 (January 2020) pp. e33–41.

<sup>18</sup> World Health Organization and the International Bank for Reconstruction and Development/The World Bank, *Tracking Universal Health Coverage: 2017 Global Monitoring Report* (Geneva, 2017), p. 24.

<sup>19</sup> Afrobarometer, “Highlights of round 6 survey findings from 36 African countries” (2017), p. 7.

<sup>20</sup> Amber Hsiao, Verena Vogt and Wilm Quentin, “Effect of corruption on perceived difficulties in healthcare access in sub-Saharan Africa”, *PLoS One*, vol. 14, No. 11 (August 2019), p. e0224915.

<sup>21</sup> Afrobarometer, p. 7 (see footnote 19).

<sup>22</sup> Nahitun Naher and others, “The influence of corruption and governance in the delivery of frontline healthcare services in the public sector: a scoping review of current and future prospects in low and middle-income countries of south and south-east Asia”, *BMC Public Health*, vol. 20, No. 880 (June 2020).

<sup>23</sup> Patricia J. García, “Corruption in global health: the open secret”, *The Lancet*, vol. 394, No. 10214 (November 2019), pp. 2119–2124.

<sup>24</sup> Lucy Scott, “Chronic poverty and the environment: a vulnerability perspective”, Chronic Poverty Research Centre Working Paper 62 (London, August 2006).

<sup>25</sup> Ichiro Kawachi and Lisa F. Berkman, eds., *Neighborhoods and Health* (New York, Oxford University Press, 2003).

green spaces may lead to the so-called “nature deficit disorder”,<sup>26</sup> which may translate into attention deficit hyperactivity disorder, thus reducing learning abilities.<sup>27</sup>

14. Such living conditions also affect social relationships and life chances generally.<sup>28</sup> Living in an overcrowded dwelling leads to disturbed sleep, tense family relationships, and stress and anxiety that affect children’s education.<sup>29</sup> Poor and segregated neighbourhoods mean children will have fewer social connections. Such neighbourhoods also typically lack quality schools, decent job opportunities and proper health-care services. In other terms, quite apart from its impacts on the right to adequate housing itself, residential segregation on grounds of wealth reduces equality of opportunities.<sup>30</sup>

## C. Education

### 1. Primary and secondary education

15. Adults living in poverty often cannot ensure means for their children to grow up with better opportunities than they had, despite their best efforts to do so. Many parents express the hope that their children will go to school and even complete university education.<sup>31</sup> However, being raised in a disadvantaged family has significant impacts on access to education and on educational achievement. Schools should be institutions compensating for inequalities between children of different socioeconomic backgrounds. Instead, participants in the dialogues organized by the Special Rapporteur in preparation of the present report repeatedly described schools as, at best, reproducing such hierarchies, and at worst magnifying them further. Four specific mechanisms are at work.

16. First, children from disadvantaged backgrounds may face obstacles in their access to quality education. In low and lower-middle income countries, the likelihood of enrolment in primary, lower-secondary and upper-secondary school still depends on parental income and education levels to a significant extent.<sup>32</sup>

17. Officially, education is provided free-of-charge almost universally. However, extra fees related to school supplies and learning materials, as well as transportation, still prevent children from disadvantaged families from accessing schools. In contrast, high-income families can spend money not only on school fees, but also on additional expenditure including computers, high-quality childcare, summer camps, private schooling and other items or experiences that promote the capacities of their children. In the United States, for example, the additional school expenditures of families at the top 20 per cent more than doubled between the early 1970s and early 2000s, while those of families at the bottom 20 per cent remained virtually static and were seven

<sup>26</sup> Richard Louv, *Last Child in the Woods: Saving our Children from Nature-Deficit Disorder* (London, Atlantic Books, 2009).

<sup>27</sup> Miles Richardson and Jenny Hallam, “Exploring the psychological rewards of a familiar semi-rural landscape: connecting to local nature through a mindful approach”, *The Humanistic Psychologist*, vol. 41, No. 1 (February 2013), pp. 35–53; Elmira Amoly and others, “Green and blue spaces and behavioral development in Barcelona schoolchildren: the BREATHE project”, *Environmental Health Perspectives*, vol. 122, No. 12 (2014), pp. 1–34.

<sup>28</sup> Maarten van Ham and others, “Intergenerational transmission of neighbourhood poverty: an analysis of neighbourhood histories of individuals”, *Transactions of the Institute of British Geographers*, vol. 39, No. 3 (2014), pp. 402–417.

<sup>29</sup> Liam Reynolds and Nicola Robinson, *Full house? How Overcrowded Housing Affects Families* (Shelter, 2005).

<sup>30</sup> The Special Rapporteur on the right to adequate housing will dedicate his report to the seventy-sixth session of the General Assembly to this topic.

<sup>31</sup> World Bank, *Learning to Realize Education’s Promise* (Washington, D.C., 2018), p. 117.

<sup>32</sup> World Bank, *Fair Progress?*, p. 120 (see footnote 2).

times lower in the mid-2000s.<sup>33</sup> Effective and affordable access to extracurricular activities is equally essential. Although participation in such activities may benefit disadvantaged children more than their more privileged peers, children from disadvantaged backgrounds in fact participate less:<sup>34</sup> on average, children from low-income families are more than twice as likely to be deprived of leisure activities than those from better-off families.<sup>35</sup>

18. Investing more in education is therefore essential to breaking the cycle of poverty. Indeed, there is a strong relationship between public investment in education and mobility, especially for developing economies and in relation to primary education.<sup>36</sup> The Education 2030 Framework for Action has set two public education expenditure benchmarks to achieve Sustainable Development Goal 4: at least 4 per cent of GDP and at least 15 per cent of total public expenditure should be spent on education. The global trend in education expenditure between 2000 and 2017 was generally flat for both indicators, however, with Latin America and the Caribbean being the exception: while education expenditure as a share of GDP increased in this region from 3.9 per cent in 2000 to 5.6 per cent in 2017 (a high rate compared with the other regions), globally, expenditure as a weighted share of GDP fluctuated around 4.7 per cent, while expenditure as a weighted share of total public expenditure only rose from 12 per cent in 2000 to 12.5 per cent in 2017.<sup>37</sup> In OECD countries, total spending on education institutions has not kept up with GDP growth.<sup>38</sup>

19. Second, children from poor families also face exclusion at school owing to their social origin. For example, 1 in 10 children in European OECD countries lacks access to basic clothing,<sup>39</sup> which can lead those children to face discrimination or be excluded or bullied at school both by their peers and school staff. A participatory action research project on education in Belgium identified that shame experienced by children in poverty was one of the key obstacles to successful schooling.<sup>40</sup> Stigmatization, labelling and negative assumptions about children in poverty were also identified as factors in consultations with families in poverty held in preparation for the present report.

20. Third, children from higher socioeconomic backgrounds tend to be better prepared for formal education, both in terms of cognitive abilities and social behaviour. Where children from poor families exhibit learning deficiencies, these often appear even before they are enrolled in school. As a result, across nearly all countries, the family background of a student (parental education, socioeconomic status, conditions at home) remains the single most important predictor of learning outcomes: in France, for example, the difference in outcomes on the tests of the Programme for International Student Assessment between the richest and poorest students amounted to 115 points in the science performance, the equivalent of about three years of schooling.<sup>41</sup>

<sup>33</sup> Greg J. Duncan and Richard J. Murnane, eds., “Introduction”, in *Whither Opportunity?: Rising Inequality, Schools, and Children’s Life Chances* (New York, Russell Sage Foundation, 2011).

<sup>34</sup> European Commission Directorate General for Employment, Social Affairs and Inclusion, “Benefits of extracurricular activities for children: a focus on social inclusion and children from disadvantaged and vulnerable backgrounds”, research note, June 2021.

<sup>35</sup> OECD, *Changing the Odds for Vulnerable Children: Building Opportunities and Resilience* (Paris, 2019).

<sup>36</sup> World Bank, *Fair Progress?*, p. 27 (see footnote 2); Miles Corak, “Income inequality, equality of opportunity, and intergenerational mobility”, *Journal of Economic Perspectives*, vol. 27, No. 3 (June 2013), pp. 79–102, p. 86.

<sup>37</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO), *Global Education Monitoring Report, 2020: Inclusion and Education: All Means All* (Paris, 2020), pp. 321–323.

<sup>38</sup> OECD, *Education at a Glance* (Paris, 2020).

<sup>39</sup> OECD, *Changing the Odds*, p. 61 (see footnote 35).

<sup>40</sup> ATD Quart Monde, *Nos ambitions pour l’école* (Brussels, 2017), p. 12.

<sup>41</sup> World Bank, *Learning to Realize Education’s Promise*, p. 78 (see footnote 31).

21. While assessments of academic achievements are often biased against children from low socioeconomic backgrounds,<sup>42</sup> the gaps in educational outcomes between children from wealthy and poor families remain constant as children grow.<sup>43</sup> One reason behind this unfair gap is that time spent at school brings fewer benefits for children from low-income families than for their better-off peers,<sup>44</sup> a phenomenon significantly worsened by low-quality teaching. Globally, 125 million children do not acquire literacy or numeracy after spending four years in school, with the largest deficits incurred by children in poverty.<sup>45</sup> In seven sub-Saharan African countries, students were found to receive just under three hours of teaching per day, or half of the scheduled time, and large shares of teachers were not properly trained in their teaching area.<sup>46</sup>

22. Indeed, the quality, or perceived quality, of schooling can also discourage children and parents from formal education. The belief that school is a waste of time and/or money weighs in the trade-off between sending children to school or to work. Given the constraints they face and the high opportunity costs when children could be working to sustain their families, poor parents who perceive education to be of low quality may be less willing to keep their children in school.<sup>47</sup> Although child labour fell by 94 million between 2000 and 2016, it has been rising since, reaching a total of 160 million in 2020 and with a sharp increase owing to the coronavirus disease (COVID-19) pandemic.<sup>48</sup> Although about two thirds of working children are enrolled in school at the same time, they are more likely to leave school early and to perform poorly in tests.<sup>49</sup>

23. Finally, the level of education of parents has a significant impact on the benefits children may obtain from education: in countries such as France, Japan, the Republic of Korea and the United Kingdom of Great Britain and Northern Ireland, the offspring of parents from low-education groups earned 20 per cent less than their peers with parents from high-education groups, even with the same level of qualifications.<sup>50</sup> This may act as a strong disincentive to invest in education: why put effort into performing well at school if it will not be rewarded in the world of work?

24. The educational achievement of children depends on the socioeconomic status of their parents, and the gap between those at the top and the bottom is in fact increasing. A study analysing 100 countries and about 5.8 million students found that the gap increased between 1964 and 2015 based on parent occupation (with an increase of 55 per cent), parent education (50 per cent), as well as the presence of books in the household (40 per cent): students' families' socioeconomic status and cultural capital (for which the presence of books is a strong indicator) play an increasingly decisive role. Moreover, the gaps have increased more between the

<sup>42</sup> UNESCO, *Global Education Monitoring Report, 2020*, p. 221 (see footnote 37).

<sup>43</sup> John Ermisch, Markus Jäntti and Timothy M. Smeeding, eds., *From Parents to Children: the Intergenerational Transmission of Advantage* (New York, Russell Sage Foundation 2012), p. 465, p. 468.

<sup>44</sup> OECD, *In It Together: Why Less Inequality Benefits All* (Paris, 2015), p. 27.

<sup>45</sup> World Bank, *World Development Report 2018: Learning to Realize Education's Promise* (Washington, D.C., 2018), p. 78.

<sup>46</sup> Tessa Bold and others, "What do teachers know and do? Does it matter? Evidence from primary schools in Africa", Policy Research Working Paper No. 7956 (Washington, D.C., World Bank, 2017).

<sup>47</sup> World Bank, *Learning to Realize Education's Promise*, p. 8 (see footnote 31).

<sup>48</sup> International Labour Organization (ILO) and the United Nations Children's Fund (UNICEF), *Child Labour: Global Estimates 2020, trends and the road forward* (Geneva, ILO; New York, UNICEF, 2021), p. 8.

<sup>49</sup> OECD, *Child Labour: Causes, Consequences and Policies to Tackle It* (Paris, 2019), p. 8.

<sup>50</sup> John Jerrim and Lindsey Macmillan, "Income inequality, intergenerational mobility, and the Great Gatsby curve: is education the key?", *Social Forces*, vol. 94, No. 2, (December 2015), pp. 505–533.

middle and bottom of the income distribution than between the middle and the top: in particular, the academic opportunities of children from low-income families have decreased.<sup>51</sup>

## 2. Early childhood education and care

25. Because of the significant impacts of disadvantage during early childhood years on later life, improving early childhood education and care is essential to breaking the cycles of poverty. Indeed, while the stress of poverty on the family may have severe impacts on the child, including on the child's brain development, these impacts are not inevitable and they can be reversed: programmes supporting parental engagement and relational health can effectively buffer the chronic stress of poverty.<sup>52</sup> Parenting during the early years plays a crucial role, and it should not be affected by socioeconomic disadvantages: this is why providing support for parents should be treated as a priority.

26. Indeed, reading books to children and having conversations with them is a major determinant of the acquisition of verbal skills,<sup>53</sup> and a critical source of stimulation for child development.<sup>54</sup> However, poverty-related concerns consume mental resources, leaving less for other tasks,<sup>55</sup> such as meaningfully interacting with children. Language-rich interactions between parents and children are in turn more common in affluent families, because of the time constraints parents face in low-income families and in single-parent families in particular; because of the generally lower education levels of low-income parents; and because of the stress associated with economic insecurity, which often reduces the availability of parents to such interactions.<sup>56</sup> For example, in Paraguay, 90 per cent of children in the richest 20 per cent households benefit from stimulating adult engagement, but only 40 per cent of children in the poorest 20 per cent do so.<sup>57</sup> In the United States, children from professional families have been found to speak more than twice as many words compared with children from families in poverty.<sup>58</sup> These children have also benefited from exposure to a larger set of formative experiences: between birth and the age of 6 years, low-income children in the United States spend nearly 1,300 fewer hours in novel places and 400 fewer hours on literacy activities than high-income children.<sup>59</sup>

27. Interventions in early childhood are particularly effective at closing the gap between disadvantaged children and their wealthier peers compared with later life remediation efforts. One study found that only interventions before the age of 3 years improve children's IQ in long-lasting ways.<sup>60</sup> Building on this data, participants in the Latin American consultations called for such early-stage interventions to become

<sup>51</sup> Anna K. Chmielewski, "The global increase in the socioeconomic achievement gap, 1964 to 2015", *American Sociological Review*, vol. 84, No. 3 (June 2019), pp. 517–544.

<sup>52</sup> Kandyce Larson and others, "Cognitive ability at kindergarten entry and socioeconomic status", *Pediatrics*, vol. 135, No. 2 (February 2015).

<sup>53</sup> Meredith L. Rowe, "Understanding socioeconomic differences in parents' speech to children", *Child Development Perspectives*, vol. 12, No. 2 (November 2017), pp. 122–127.

<sup>54</sup> James J. Heckman, "Skill formation and the economics of investing in disadvantaged children", *Science*, vol. 312, No. 5782 (June 2006), pp. 1900–1902.

<sup>55</sup> Anandi Mani and others, "Poverty impedes cognitive function", *Science*, vol. 341, No. 6149 (August 2013), pp. 976–980.

<sup>56</sup> OECD, *Changing the Odds* (see footnote 35).

<sup>57</sup> UNESCO, *Global Education Monitoring Report, 2020*, p. 232 (see footnote 37).

<sup>58</sup> James J. Heckman and Stefano Mosso, *The Economics of Human Development and Social Mobility*, National Bureau of Economic Research Working Paper No. 19925 (Cambridge, Massachusetts, National Bureau of Economic Research, 2014), p. 8.

<sup>59</sup> Meredith Phillips, "Parenting, time use, and disparities in academic outcomes", in Duncan and Murnane, eds., *Whither Opportunity?* (see footnote 33), p. 217 and p. 221.

<sup>60</sup> Heckman and Mosso, *The Economics of Human Development* (see footnote 58).

available and accessible to families in poverty in order to allow young children to be taken care of while their parents work. Affordable and easily accessible childcare facilities also significantly raise women's employment prospects, and thus the ability for households to improve their standards of living and, in turn, to invest in education.

### 3. Employment

28. Taking up decent employment that provides a living wage, allowing workers to support themselves and their families, is generally the best route out of poverty. However, employment opportunities may be insufficient, even where the necessary degrees and skills are present within the population.<sup>61</sup> Schooling, if viewed as not leading to better employment opportunities, may be an important source of frustration, which in time can lead to underinvestment in the acquisition of qualifications. Moreover, even general improvements in the labour market may not benefit people facing socioeconomic disadvantage as much as other parts of the population: some estimates have found that at least 50 per cent of the variability of lifetime earnings between individuals is because of attributes determined by the age of 18 years,<sup>62</sup> and most of these attributes are in fact already present at the age of 5 years.<sup>63</sup>

29. First, not all jobs are decent jobs. Because they often have lower educational levels and qualifications, people in poverty have higher chances of remaining in poverty even when in employment, whether formal or informal. Most of the poor in low-income countries are employed, but their labour does not allow them to rise above the poverty line.<sup>64</sup> Globally, an estimated 327 million wage earners (including 152 million women) are paid at or below the applicable hourly minimum wage, representing 19 per cent of all wage earners.<sup>65</sup>

30. Even when receiving minimum wages, low-income earners can end up in precarious situations owing to forced informality and wage theft or arrears. This problem was confirmed by people in poverty in Africa and Latin America who were consulted for the present report, and who shared experiences of incomplete wage payments, unexpected fees and deceit in their relationships with employers. Low-income workers may also fear that unionizing will lead to job loss. This results in lower unionization rates and, in turn, stagnating wages and worse working conditions.

31. Second, even in countries where the rate of informal employment is relatively low, barriers to entry into the labour market prevent people in poverty from obtaining jobs. This is in part because of the importance of social connections for access to employment: friends, family or other acquaintances play a significant role in helping to identify and seize opportunities.<sup>66</sup> In the United States, 7 in 10 job openings are not published on public job sites; 8 in 10 are filled through professional networks and

<sup>61</sup> World Bank, *Fair Progress?*, p. 144 (see footnote 2).

<sup>62</sup> Heckman and Mosso, *The Economics of Human Development*, p. 3 (see footnote 58).

<sup>63</sup> James J. Heckman, *Schools, Skills, and Synapses*, National Bureau of Economic Research Working Paper No. 14064 (Cambridge, Massachusetts, National Bureau of Economic Research, 2008), p. 12.

<sup>64</sup> [A/60/314](#), para. 9.

<sup>65</sup> ILO, *Global Wage Report 2020–21: Wages and Minimum Wages in the Time of COVID-19* (Geneva, 2020), pp. 16–17.

<sup>66</sup> Linda Datcher Loury, "Some contacts are more equal than others: informal networks, job tenure, and wages", *Journal of Labor Economics*, vol. 24, No. 2 (February 2006), pp. 299–318.

interpersonal connections.<sup>67</sup> In France, 41 per cent of job openings were filled in 2020 through the “hidden job market”.<sup>68</sup>

32. Third, the “aspirations window” may play a role: for children facing socioeconomic disadvantage, a life free of the burden of poverty may be difficult to imagine.<sup>69</sup> Half of children whose parents are in the managerial class become managers themselves, but less than a quarter of the children of manual workers have a chance to become managers. In the United States and Germany, almost half of the sons of rich fathers are in the top earnings quartile themselves.<sup>70</sup> In Canada, almost 7 out of 10 sons born to fathers belonging to the top 1 per cent of income earners had a job with an employer for which their father had also worked; in Denmark, a little over half of the sons of fathers at this level also did so.<sup>71</sup>

33. These figures suggest that it is not income poverty alone, nor even the sources of disadvantage that are generally (though not necessarily) associated with low incomes, such as poor access to health, to nutrition, to housing or to education, that explain the perpetuation of poverty: inequality itself is a contributing factor.

### III. Inequality and the perpetuation of poverty

34. The 2030 Agenda for Sustainable Development recognizes that sustained, inclusive and sustainable economic growth requires wealth to be shared and income inequality to be addressed: the Sustainable Development Goals therefore provide for inequality to be reduced within countries (Sustainable Development Goal 10), and a pledge was made to ensure that the incomes of the bottom 40 per cent of income earners increase faster than average.<sup>72</sup> Far from discouraging growth, the reduction of inequalities and the redistribution of wealth contribute both to growth and to poverty reduction,<sup>73</sup> while at the same time reducing the tension between growth as a means of reducing poverty and the imperative to remain within the Earth’s carrying capacity. The better the redistribution of the outcomes of growth across society, the lower the amount of growth required to reduce poverty will be.<sup>74</sup> More equal societies are also better equipped to address a number of challenges related to health, education and violence.<sup>75</sup>

35. However, since the 1980s, income concentration at the top of the income distribution has increased globally, constraining the income share of the bottom. Since

<sup>67</sup> Wendy Kaufman, “A successful job search: it’s all about networking”, National Public Radio, 3 February 2011. Available at: <https://www.npr.org/2011/02/08/133474431/a-successful-job-search-its-all-about-networking>. See also Mark Granovetter, *Getting a Job: A Study of Contacts and Careers*, 2nd ed. (Chicago, University of Chicago Press, 1995).

<sup>68</sup> Randstad, “Étude Randstad SmartData sur le marché de l’emploi”, 17 February 2021.

<sup>69</sup> Arjun Appadurai, “The capacity to aspire: culture and the terms of recognition”, in Vijayendra Rao and Michael Walton, eds., *Culture and Public Action* (Stanford, California, Stanford University Press; Washington, D.C., World Bank, 2002).

<sup>70</sup> OECD, *A Broken Social Elevator*, p. 186 and p. 15 (see footnote 1).

<sup>71</sup> Miles Corak and Patrizio Piraino, “The intergenerational transmission of employers”, *Journal of Labor Economics*, vol. 29, No. 1 (2011), pp. 37–68.

<sup>72</sup> Resolution 70/1, para. 27.

<sup>73</sup> François Bourguignon, “Spreading the wealth”, *Finance & Development*, vol. 55, No. 1 (March 2018); see also OECD, *In it together*, p. 69 (see footnote 44); Era Dabla-Norris and others, “Causes and consequences of income inequality: A global perspective”, IMF Staff Discussion Note 15/13 (June 2015), para. 8 (concluding that a 1 per cent increase of the income share of the bottom 20 per cent results in GDP growth of 0.38 per cent, whereas increasing the income share of the top 20 per cent leads to a decline in GDP growth of 0.08 per cent).

<sup>74</sup> [A/75/181](#).

<sup>75</sup> Richard G. Wilkinson and Kate E. Pickett, “The enemy between us: The psychological and social costs of inequality”, *European Journal of Social Psychology*, vol. 47, No. 1 (February 2017), pp. 11–24.

1980, half of the world's income has been in the hands of the top 10 per cent. Among the top 1 per cent, the income share has in fact continued to increase, from 16 per cent in 1980 to 22 per cent in 2000, while the share of the global bottom 50 per cent remained around 9 per cent.<sup>76</sup> The speed at which incomes are growing is also unequal: in three quarters of OECD countries, the incomes of households in the top 10 per cent have grown faster than those among the poorest 10 per cent.<sup>77</sup>

36. The unequal distribution of income is also present in specific countries. Although the share earned by the top 10 per cent in Asian countries decreased slightly, it only fell from 57.5 per cent to 50.6 per cent, and in Europe that share increased from 30.7 per cent to 35.9 per cent.<sup>78</sup> In the Russian Federation, the top 1 per cent earned on average 20 per cent of the national income in 2019, 50 times what those in the bottom 50 per cent made.<sup>79</sup> In China, the top 1 per cent made 8 per cent of national income in 1990, rising to 14 per cent in 2019, while in India the corresponding figures were 11 per cent in 1990 and 21 per cent in 2019.<sup>80</sup> In Latin America and the Middle East, the world's most unequal regions, the top 10 per cent of the income distribution earned respectively 54 and 56 per cent of the average national income,<sup>81</sup> and Africa stood at similar inequality levels, with the top 10 per cent capturing half of national income.<sup>82</sup>

37. Wealth inequality is even greater, and has grown even faster, than income inequality. Across OECD countries, wealth inequality is twice the level of income inequality on average: the wealthiest 10 per cent holds 52 per cent of the total net wealth, while the top 10 per cent with highest incomes captures 24 per cent of the total income. In turn, the bottom 60 per cent of the wealth distribution owns little over 12 per cent of the total wealth, and over a third of people with incomes above the poverty line in OECD countries lack the financial resources needed to deal with a sudden loss of income, for instance in the event of unemployment, family breakdown or illness.<sup>83</sup> In the United States, in 2019, one third of households with children were net worth poor (their assets minus their total debts fall below the federal poverty line), three times as many as those who were income poor.<sup>84</sup> In fact, since 1970, there has been a general rise in net private wealth in most wealthy countries – from 200–350 per cent in 1970 to 400–700 per cent in 2018, growth that was largely unaffected by financial crises; conversely, net public wealth has declined in almost all countries since the 1980s.<sup>85</sup>

38. Inequality both encourages, and is supported by, an outdated and by now discredited understanding of “meritocracy”. Economic success is still sometimes seen as reflecting one's effort and ability, a belief that is especially prevalent in highly

<sup>76</sup> World Inequality Database, pre-tax income estimates of the population over the age of 20 years. Available at: [https://wid.world/share/#0/countries/series/sptinc\\_p90p100\\_z/WO;QB;QD;XL;QE/last/eu/k/p/yearly/s/false/28.9715/70/curve/false/country](https://wid.world/share/#0/countries/series/sptinc_p90p100_z/WO;QB;QD;XL;QE/last/eu/k/p/yearly/s/false/28.9715/70/curve/false/country).

<sup>77</sup> Federico Cingano, “Trends in Income Inequality and its Impact on Economic Growth”, OECD Social, Employment and Migration Working Papers, No. 163 (2014), para. 7.

<sup>78</sup> World Inequality Database (see footnote 76).

<sup>79</sup> Theresa Neef, “What's new about income inequality in Russia (1980–2019)? Trends in comparison to Eastern Europe”, World Inequality Lab – Issue Brief 2020/05 (November 2020).

<sup>80</sup> Li Yang, “What's new about income inequality data in Asia?”, World Inequality Lab – Issue Brief 2020-08 (November 2020).

<sup>81</sup> Rowaida Moshrif, “Income inequality in the Middle East”, World Inequality Lab – Issue Brief 2020-06 (November 2020).

<sup>82</sup> Anne-Sophie Robilliard, “What's new about income inequality data in Africa?”, World Inequality Lab – Issue Brief 2020-03 (November 2020).

<sup>83</sup> Carlotta Balestra and Richard Tonkin, “Inequalities in household wealth across OECD countries”, OECD Statistics Working Paper (June 2018), pp. 4 and 7.

<sup>84</sup> Christina Gibson-Davis, Lisa A. Keister and Lisa A. Gennetian, “Net worth poverty in child households by race and ethnicity, 1989–2019”, *Journal of Marriage and Family*, vol. 83, No. 3 (June 2021), pp. 667–682.

<sup>85</sup> Facundo Alvaredo and others, *World Inequality Report 2018* (World Inequality Lab, 2018), p. 15.

unequal countries,<sup>86</sup> and that is entertained in particular, perhaps unsurprisingly, by high-income earners.<sup>87</sup> Higher inequality thus leads those on higher incomes to perceive the poor as less “meritorious” and more deserving of their socioeconomic situation and therefore to justify inequality on the basis of unequal merit.<sup>88</sup> This, in turn, leads personal failings to be considered the main cause of poverty: people in poverty are blamed for being poor.<sup>89</sup> “Meritocracy” both reduces empathy towards affected groups and makes inequality look like an inevitable and, to some extent, even desirable phenomenon – a means of incentivizing people to achieve more.<sup>90</sup>

39. Poverty, however, is not the result of laziness, a lack of self-control or deficient planning: it has its sources in structural factors such as high unemployment, stagnating wages and discrimination.<sup>91</sup> Inequality is not a factor that stimulates achievement; on the contrary, it lowers social mobility,<sup>92</sup> in part because it makes it difficult for people in poverty to invest in human capital and because success in life depends on access to resources, both monetary and non-monetary, that rich segments of society find easier to mobilize.

40. Countries with greater inequality tend to be countries where both economic advantage and disadvantage are passed on to children – a relationship often referred to as the “Great Gatsby Curve”. For example, among OECD countries, the ties between parental economic status and the adult earnings of their children is weakest in Denmark, Finland and Norway, and strongest in Italy, the United Kingdom and the United States (where children raised in the top and bottom deciles are far more likely to occupy the same socioeconomic position as their parents); the relationship is even stronger in lower-income countries.<sup>93</sup> In Africa, mobility in education and occupation is greater where income inequality is lower, such as Ghana and Uganda, than in higher-inequality countries, such as Côte d’Ivoire, Guinea and Madagascar.<sup>94</sup> This relationship between inequality and social stratification also holds even when using a measure of inequality in human development instead of income inequality terms alone.<sup>95</sup>

41. Just like income inequality, wealth inequality is a major factor that perpetuates poverty:<sup>96</sup> one cross-country comparison has shown that parental wealth outperforms income in explaining differences in intergenerational mobility, with strong effects on children’s life chances.<sup>97</sup> Indeed, the wealth an individual can mobilize significantly

<sup>86</sup> Jonathan J. B. Mijs, “The paradox of inequality: income inequality and belief in meritocracy go hand in hand”, *Socio-Economic Review*, vol. 19, No. 1 (January 2021), pp. 7–35.

<sup>87</sup> Karlijn L. A. Roex, Tim Huijts and Inge Sieben “Attitudes towards income inequality: ‘Winners’ versus ‘losers’ of the perceived meritocracy”, *Acta Sociologica*, vol. 62, No. 1 (February 2019), pp. 47–63.

<sup>88</sup> Nicholas Heiserman and Brent Simpson, “Higher inequality increases the gap in the perceived merit of the rich and poor”, *Social Psychology Quarterly*, vol. 80, No. 3 (September 2017), pp. 243–253.

<sup>89</sup> Robert Walker, *The Shame of Poverty* (Oxford, Oxford University Press, 2014), pp. 132–156.

<sup>90</sup> Hannah B. Waldfogel and others, “Ideology selectively shapes attention to inequality”, *Proceedings of the National Academy of Sciences*, vol. 118, No. 14 (April 2021).

<sup>91</sup> Paul K. Piff and others, “Shifting attributions for poverty motivates opposition to inequality and enhances egalitarianism”, *Nature Human Behavior*, vol. 4, No. 5 (May 2020), pp. 496–505.

<sup>92</sup> OECD, *In It Together*, p. 27 (see footnote 44).

<sup>93</sup> Corak, “Income inequality, equality of opportunity, and intergenerational mobility”, pp. 81–82 (see footnote 36).

<sup>94</sup> Thomas Bossuroy and Denis Cogneau, “Social mobility in five African countries”, *The Review of Income and Wealth*, vol. 59, No. S1 (October 2013), pp. s84–s110.

<sup>95</sup> United Nations Development Programme, *Human Development Report 2019* (New York, 2019), p. 74.

<sup>96</sup> Juan C. Palomino, Gustavo A. Marrero and Juan Gabriel Rodríguez, “One size doesn’t fit all: a quantile analysis of intergenerational income mobility in the U.S. (1980–2010)”, *Journal of Economic Inequality*, vol. 16, No. 3 (September 2018), pp. 347–367.

<sup>97</sup> Timothy M. Smeeding, Robert Erikson and Markus Jäntti, eds., *Persistence, Privilege, and Parenting* (New York, Russell Sage Foundation, 2011), p. 123.

enhances their ability to seize opportunities. Access to wealth increases the possibilities of investing in education, being involved in lucrative family businesses and investing in new (including risky) enterprises: whereas wealth, like income, can buy educational achievement through greater access to books, tutors and private schools, it also provides a level of security allowing children from wealthy families to focus on the academic challenges of higher education instead of the financial ones.<sup>98</sup> Moreover, the wealthiest individuals are better positioned to use loopholes in the taxation system to reduce their tax liability, or to practice tax evasion; and they may use their wealth to increase their political influence, resulting in what the United Nations Conference on Trade and Development calls “rentier capitalism”, in which State power is captured by the dominant economic actors to further increase their dominance.<sup>99</sup>

42. The flow of intergenerational transfers, such as inheritance and gifts, plays an important role in explaining wealth concentration.<sup>100</sup> In Europe and the United States, the share of inherited wealth grew from 30–40 per cent in the period from 1950 to 1980 to 50–60 per cent since 2010.<sup>101</sup> The likelihood of receiving an inheritance or gift increases with wealth rank, with households in the top 1 per cent receiving as much as 18 per cent of the total amount transferred in Germany and the United States, while the share going to the bottom 25 per cent is very low.<sup>102</sup> Across OECD countries, the value of inheritances and gifts received by households in the 20 per cent with the top net wealth, on average, represents 72 per cent of the mean net wealth across all households, while for those in the 20 per cent with the bottom net wealth, this value is less than 1.5 per cent.<sup>103</sup>

## IV. Breaking the vicious cycle of poverty

### A. Investment in early childhood

43. Children born into poverty are denied the right to equal opportunities, and high levels of inequality result in low social mobility. However, these children are not doomed to failure. The stress experienced by families living in poverty may have long-term impacts on the child through various physiological mechanisms. Such impacts can be largely buffered, however, by supportive parenting. Children born in low-income families, moreover, can develop competences and acquire skills that equip them to deal with adverse conditions later in life, a form of experiential knowledge that deserves to be better recognized and valued.<sup>104</sup>

44. Support provided to families during early childhood can also contribute significantly to reducing child poverty. Such support increases children’s chances of improving their livelihoods as adults, thus improving social cohesion. Maternity benefits, for instance, lead to more time being spent with the child, in turn leading to a

<sup>98</sup> Breno Braga and others, “Wealth inequality is a barrier to education and social mobility”, Urban Institute (April 2017).

<sup>99</sup> United Nations Conference on Trade and Development, *Trade and Development Report 2017: Beyond Austerity – Towards a global new deal* (New York and Geneva, 2017), p. 139.

<sup>100</sup> Laura Feiveson and John Sabelhaus, “How does intergenerational wealth transmission affect wealth concentration?”, Board of Governors of the Federal Reserve System (1 June 2018).

<sup>101</sup> Facundo Alvaredo, Bertrand Garbinti and Thomas Piketty, “On the share of inheritance in aggregate wealth: Europe and the United States, 1900–2010”, *Economica*, vol. 84, No. 334 (April 2017), pp. 239–260, p. 239.

<sup>102</sup> Brian Nolan and others, “The Wealth of Families: The Intergenerational Transmission of Wealth in Britain in Comparative Perspective”, Nuffield Foundation Report (2020), p. 51.

<sup>103</sup> OECD, *A Broken Social Elevator*, p. 206 (see footnote 1).

<sup>104</sup> Rachel Bray and others, *The Hidden Dimensions of Poverty* (Montreuil, Fourth World Publications, 2019).

2 per cent decrease in high school dropout rates and a 5 per cent increase in wages at the age of 30 years.<sup>105</sup> Universal child benefits have shown to be effective in this regard, in particular since they reduce the risks of underinclusion and stigmatization associated with targeting.<sup>106</sup> Affirmative programmes, including desegregating neighbourhoods by moving low-income families to more affluent areas (while taking care not to disrupt existing networks of solidarity or ensuring new such networks are created),<sup>107</sup> or encouraging access to higher education,<sup>108</sup> can also help to halt the patterns of disadvantage across generations where children growing up in deprived neighbourhoods live in similar ones later in life. While poverty may deny equal life chances, interventions at different stages of life can allow disadvantaged children to overcome its impacts.

45. Interventions during early childhood are the most likely to be effective. Such interventions face two major obstacles, however. First, even where public programmes supporting low-income households exist, such households, especially those headed by single parents, may be poorly informed about such programmes or otherwise unable to claim the support that is available to them in theory.<sup>109</sup> Home visits providing information, resources and support to expectant parents and families with young children may be an important tool to overcome obstacles and reduce rates of non-take-up.<sup>110</sup> Home visiting programmes are expensive in the short run, but the positive impacts in the medium and long term are very high, including by improving employment prospects for the children and by reducing the families' need for public assistance programmes.<sup>111</sup>

46. Second, as highlighted in the dialogues conducted in preparation of this report, disadvantaged families have often developed considerable suspicion towards social services, thus impeding the ability of those services to provide effective support. This is partly attributable to the fact that such services are increasingly asked to act as gatekeepers to prevent households from abusing the social protection system and to prevent fraud. It is also owing to the fact that, although removing a child from the family should only be a measure of last resort<sup>112</sup> and although, as stated by the United Nations Committee on the Rights of the Child, “[e]conomic reasons cannot be a justification for separating a child from his or her parents”,<sup>113</sup> children living in poverty

<sup>105</sup> Pedro Carneiro, Katrine V. Løken and Kjell G. Salvanes, “A flying start? Maternity leave benefits and long-run outcomes of children”, *Journal of Political Economy*, vol. 123, No. 2 (April 2015), pp. 365–412.

<sup>106</sup> Save the Children International, *Universal Child Benefits (UCBs): A Foundation to End Child Poverty* (July 2020).

<sup>107</sup> Raj Chetty, Nathaniel Hendren and Lawrence F. Katz, “The effect of exposure to better neighborhoods and children: new evidence from the moving to opportunity experiment”, *American Economic Review*, vol. 106, No. 4 (April 2016), pp. 855–902.

<sup>108</sup> Elise de Vuijst, Maarten van Ham and Reinout Kleinhans, “The moderating effect of higher education on the intergenerational transmission of residing in poverty neighbourhoods”, *Environment and Planning A: Economy and Space*, vol. 49, No. 9 (September 2017), pp. 2135–2154.

<sup>109</sup> The Special Rapporteur plans to prepare a worldwide survey on the non-take-up of rights to assess the causes of this challenge and to identify solutions.

<sup>110</sup> Anne Duggan and others, *Implementation of Evidence-Based Early Childhood Home Visiting: Results from the Mother and Infant Home Visiting Program Evaluation* (Washington, D.C., Office of Planning, Research and Evaluation, United States Department of Health and Human Services, 2018).

<sup>111</sup> Charles Michalopoulos and others, *Evidence on the Long-Term Effects of Home Visiting Programs: Laying the Groundwork for Long-Term Follow-Up in the Mother and Infant Home Visiting Program Evaluation (MIHOPE)* (Washington, D.C., Office of Planning, Research and Evaluation, United States Department of Health and Human Services, 2017).

<sup>112</sup> Article 9 of the Convention on the Rights of the Child provides that children have the right not be separated from their biological parents, unless such separation is in their best interests.

<sup>113</sup> General comment No. 14 (2013) on the right of the child to have his or her best interests taken as a primary consideration (art. 3, para. 1) (CRC/C/GC/14, 2013), para. 61.

are particularly at risk of being separated from their families.<sup>114</sup> This phenomenon is worse where institutions actively encourage parents to place their children in care to ensure that they will receive food, education, health care and shelter.<sup>115</sup>

47. Improved early childhood education and care and support to disadvantaged families are essential to breaking the cycles of poverty. Rather than creating new forms of dependencies,<sup>116</sup> the role of social services should be to form partnerships with parents, focused on the best interests of the child and to promote the autonomy of families through help, parental training and supervision. Where there is a risk of abuse, neglect, violence or maltreatment, social services should seek to identify in-house-measures where children can continue to live with their families and communities rather than separating them and placing them in residential or family-based care. Access to affordable, high-quality day care for low-income families is also essential to ensure disadvantaged children are better prepared for school.

## B. Inclusive education

48. Schools themselves often cannot fully compensate for differentials in preschool education between disadvantaged and less disadvantaged children, especially where residential segregation between rich and poor is important. More than the resources available to the school or the size of classrooms, what matters are peer influences, teachers' morale and qualifications, and the school's emphasis on academic preparation.<sup>117</sup>

49. In other terms, what is needed is a desegregated and inclusive educational system that affirmatively seeks to provide equal opportunities to disadvantaged children. Truly inclusive schools are schools that provide more extracurricular opportunities after school hours;<sup>118</sup> that strengthen the links between the school and the community in order to improve social capital and access to various networks for the child; that reduce the role of selection and assessment of children based on academic performance, and instead value each child for what they contribute to the classroom; and that ensure that learning orientations are not biased against low-income children, whose choices and aspirations should be fully respected – rather than ignored or dismissed by the common prejudice that such children cannot succeed in certain study courses that are considered more demanding.<sup>119</sup>

50. Provided they affirmatively seek to ensure equal opportunities rather than simply reproduce existing inequalities inherited from childhood, schools may provide a second chance to children from families in poverty. More integrated schooling systems also ensure pupils from wealthier backgrounds will develop more prosocial behaviour and will be less likely to discriminate against poor students, as shown in a

<sup>114</sup> See, for example, Olga Borzova, "Social services in Europe: legislation and practice of the removal of children from their families in Council of Europe member States", Council of Europe, Parliamentary Assembly, Report, Doc. 13730 (March 2015), p. 10; Samantha Chaitkin and others *Towards the Right Care for Children. Orientations for Reforming Alternative Care Systems. Africa, Asia, Latin America* (European Commission and SOS Children's Villages International, 2017), p. 12.

<sup>115</sup> Joanne Doyle, *Misguided Kindness. Making the Right Decisions for Children in Emergencies* (London, Save the Children UK, 2010), p. 5.

<sup>116</sup> Council of Europe, Recommendation CM/REC(2011)12 of the Committee of Ministers to member States on children's rights and social services friendly to children and families (16 November 2011). Available at: <https://rm.coe.int/168046ccea>.

<sup>117</sup> Robert D. Putnam, *Our Kids. The American Dream in Crisis* (Simon & Schuster, New York, 2015), chap. 4.

<sup>118</sup> Greg J. Duncan and Richard J. Murnane, *Restoring Opportunity. The Crisis of Inequality and the Challenge for American Education* (Cambridge, Massachusetts, Harvard Education Press, New York, Russell Sage Foundation, 2014).

<sup>119</sup> See ATD Quart Monde, *Nos ambitions pour l'école* (see footnote 40).

study on elite schools in Delhi after they were ordered in 2007 to reserve 20 per cent of their places for students from households earning under approximately \$2,000 a year.<sup>120</sup> This significantly improves overall social cohesion.

### C. A basic income for young adults

51. A third chance may be given when these children enter their adult lives. The provision of a universal basic income between the end of secondary education and the age of 25 years may be particularly beneficial. A study of a randomized cash transfer in Uganda showed that most young people (who normally would not have access to credit in the absence of aid) invested the transfer in vocational skills and tools, leading to significant increases in cash earnings (almost 50 per cent compared with the control group): the real annual return on capital is 35 per cent on average.<sup>121</sup> Similarly, an experiment with the introduction of a universal basic income scheme in rural Kenya shows the benefits of even a relatively modest guaranteed and unconditional income scheme (of the equivalent of \$0.75/day) for improved food security, mental and physical health, and entrepreneurship – protecting households from having to sell productive assets in times of crisis, and encouraging them to invest in productive investment.<sup>122</sup> Studies of universal basic income schemes in rich countries show either no negative impact on employment, or only a marginal impact (a 10 per cent income increase induced by an unconditional cash transfer decreasing labour supply by about 1 per cent), but significant improvements in health and educational outcomes, especially among the most disadvantaged youths.<sup>123</sup>

52. By definition, owing to its universal nature, a universal basic income for young people does not carry stigma, and the risks associated with targeting in means-tested programmes are avoided. In most countries, such schemes could be financed by increasing taxes on inheritance. This would also be a coherent way of tackling the growth of wealth inequalities. In OECD countries, the inheritances and gifts reported by the wealthiest households (top 20 per cent) are close to 50 times higher than those reported by the poorest households (bottom 20 per cent), which illustrates the important role of inheritance in perpetuating and even reinforcing inequalities since wealth inequalities lead to increased income inequalities. However, only 24 out of 37 OECD countries tax inheritance, estate or gifts across generations, and the levies are typically very low, accounting for only 0.5 per cent of total tax revenues on average for the 24 countries concerned. There are important differences between countries, of course: in the United States, only 0.2 per cent of estates are subject to inheritance taxes, and parents may transfer up to \$11 million to their children tax free, while the figures are 48 per cent and \$17,000 for the Brussels-Capital Region in Belgium.<sup>124</sup> Overall, however, in combination with the introduction of a universal basic income

<sup>120</sup> Gautam Rao, “Familiarity does not breed contempt: generosity, discrimination and diversity in Delhi schools”, *American Economic Review*, vol. 109, No. 3 (March 2019), pp. 774–809.

<sup>121</sup> Christopher Blattman, Nathan Fiala and Sebastian Martinez, “Generating skilled employment in developing countries: experimental evidence from Uganda”, *The Quarterly Journal of Economics*, vol. 129, No. 2 (May 2014), pp. 697–752.

<sup>122</sup> Rebecca Linke, “12-year study looks at effects of universal basic income”, MIT Sloan School of Management (30 January 2018). For an assessment of the provision of a lump sum to randomly chosen poor households, see Johannes Haushofer and Jeremy Shapiro, “The short-term impact of unconditional cash transfers to the poor: experimental evidence from Kenya”, *The Quarterly Journal of Economics*, vol. 131, No. 4 (November 2016), pp. 1973–2042 (showing increases in asset holdings and in revenue but no large effects on health and educational outcomes).

<sup>123</sup> Ioana Marinescu, *No Strings Attached: The Behavioral Effects of U.S. Unconditional Cash Transfer Programs*, National Bureau of Economic Research Working Paper No. 24337 (Cambridge, Massachusetts, National Bureau of Economic Research, 2018).

<sup>124</sup> OECD, *Inheritance Taxation in OECD Countries* (Paris, 2021).

scheme for young adults to allow them to pursue their education or to start a small business, taxing inheritance or increasing progressivity in inheritance taxes may be an administratively easy and essentially painless way to break the cycle of poverty.

#### **D. The prohibition of discrimination on grounds of socioeconomic disadvantage**

53. The various measures to break the cycles of poverty should be underpinned by the overarching objective of combating discrimination on the grounds of socioeconomic disadvantage. In article 2 (2) of the International Covenant on Economic, Social and Cultural Rights, the prohibited grounds for discrimination include “social origin” and “property”. The Committee on Economic, Social and Cultural Rights has reiterated that people “must not be arbitrarily treated on account of belonging to a certain economic or social group or strata within society”,<sup>125</sup> and it insists that such grounds should be included in the anti-discrimination framework adopted by the States parties to the Covenant.<sup>126</sup> Yet, discrimination against individuals or groups of individuals on grounds of socioeconomic disadvantage remains widespread.

54. In order to properly assess the contribution of prohibiting discrimination on grounds of socioeconomic disadvantage to breaking the cycles perpetuating poverty, the discrimination faced by disadvantaged individuals and households should be seen for what it is: a form of systemic discrimination that affects a range of areas including health, education, housing and employment.

55. Addressing discrimination on grounds of socioeconomic disadvantage is therefore ineffective if limited to one sphere alone. For instance, ensuring employers do not discriminate on grounds of poverty will have a limited impact if disadvantaged individuals continue to face obstacles in having access to quality education, or live in poor neighbourhoods distant from the place of work; supporting schools with a high proportion of disadvantaged pupils may not make a significant difference to these pupils if residential segregation remains unchallenged, so that these pupils remain concentrated in certain schools; and combating discrimination in employment or education alone will not suffice if health inequalities persist, lowering workers’ productivity and academic achievement.

56. Whereas the usual antidote to prejudice against people in poverty (known as “aporophobia”, “povertyism” or simply “classism”) is some version of a meritocracy, this is inappropriate where disadvantaged individuals have not been given fair opportunities to acquire certain qualifications or to have their experiential competences formally recognized. Something else is needed, and anti-discrimination law prescribes the way forward.

57. Three implications follow from the requirement to guarantee equal treatment to disadvantaged groups and individuals.<sup>127</sup>

58. First, in addition to direct discrimination on grounds of socioeconomic disadvantage, indirect discrimination should be prohibited, where decisions made on

<sup>125</sup> General Comment No. 20: Non-discrimination in economic, social and cultural rights (art. 2, para. 2, of the International Covenant on Economic, Social and Cultural Rights) (E/C.12/GC/20, 2 July 2009), para. 35.

<sup>126</sup> See, for example, Concluding observations on the sixth periodic report of Canada (E/C.12/CAN/CO/6, 23 March 2016, para. 17) (referring to “social condition” as a prohibited ground of discrimination).

<sup>127</sup> The Special Rapporteur explores the contribution of antidiscrimination law to the eradication of poverty in a separate report.

apparently neutral grounds disproportionately affect people in poverty.<sup>128</sup> Employers should not be allowed to reject job applicants based on where they live (in poor neighbourhoods) or on the reputation of the schools the candidate attended (disproportionately attended by pupils from disadvantaged backgrounds). Landlords should not be allowed to refuse to rent an apartment to a lessee who relies on social aid. Schools should not be allowed to penalize students who cannot buy teaching materials or lack access to the Internet. Finally, public entities should not be allowed to make policy decisions or decide regulatory reforms without looking into the impacts on people in poverty and ensuring that their decisions do not worsen inequalities. In the United Kingdom, for instance, the Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to “pay due regard” to how they can reduce inequalities of outcome caused by socioeconomic disadvantage when making strategic decisions.<sup>129</sup> In South Africa, a Western Cape Equality Court considered that the drastic difference in resources allocated by the South African Police Services to impoverished, predominantly black communities in comparison to wealthier, white communities amounted to discrimination on the basis of race and poverty, the latter being an “analogous” and “unlisted” ground on which a claim of discrimination can be based because it “adversely affects the equal enjoyment of a person’s right and freedom in a serious manner that is comparable to discrimination on a listed ground”.<sup>130</sup>

59. Second, socioeconomically disadvantaged individuals should have a right to “reasonable accommodation”, which means in particular that their individual circumstances should be considered, and the particular contributions they can make based on the qualifications gained from their practical experiences should be acknowledged and valued, even when they are atypical. It is this idea that, since 2015, has motivated a number of French municipalities to launch the “zero long-term unemployed territories” experiment, based on the idea that people in long-term unemployment have talents that can be employed for the benefit of society, provided these talents are effectively recognized and opportunities created.

60. Third, to address the systemic nature of discrimination on grounds of poverty, and to move beyond the fetishization of traditional understandings of “merit”, affirmative action programmes should be considered to support access for disadvantaged individuals to higher education and to sectors of employment in which they are underrepresented. This could also help to overcome the limited “aspirations window” and the lack of social networks among the factors explaining the perpetuation of poverty. Affirmative action should not be seen as a substitute for structural measures, such as investment in social housing in poor neighbourhoods, increased funding for schools or employment policies. However, it can help to desegregate societies staunchly separated by wealth.

<sup>128</sup> In Ireland, the Equality (Miscellaneous Provisions) Bill 2021, currently pending adoption, defines having a socioeconomic disadvantage as being member of a “socially or geographically identifiable group that suffers from such disadvantage resulting from one or more of the following circumstances: (a) poverty, (b) source of income, (c) illiteracy, (d) level of education, (e) address, type of housing or homelessness, (f) employment status, (g) social or regional accent, or from any other similar circumstance” (available at: <https://data.oireachtas.ie/ie/oireachtas/bill/2021/6/eng/initiated/b0621d.pdf>). In South Africa, the Promotion of Equality and Prevention of Unfair Discrimination Act (implementing Section 9 of the Constitution) contains a Directive Principle that requires special consideration to be given to the inclusion of, inter alia, socioeconomic status in the list of prohibited grounds: this expression is defined as the “social or economic condition or perceived condition of a person who is disadvantaged by poverty, low employment status or lack of or low-level educational qualifications”.

<sup>129</sup> See The Equality Act 2010 (Authorities subject to the Socio-economic Inequality Duty) (Scotland) Regulations 2018. Available at: <https://www.legislation.gov.uk/sdsi/2018/9780111038086/body>.

<sup>130</sup> Western Cape High Court, *Social Justice Coalition and others v. Minister of Police and others*, Case No. EC03/2016, Approved Judgment, 14 December 2018, para. 65.

## V. Conclusion

61. By investing in early childhood education and care, by ensuring schools are truly inclusive and by supporting young adults through a basic income guarantee, the cycles perpetuating poverty can be broken. Reaffirming and implementing the prohibition of discrimination on grounds of socioeconomic disadvantage will allow courts and national human rights institutions to contribute to this effort. This is not solely in the interest of people in poverty: it is in the interest of society as a whole, which cannot afford talents going to waste, or the breakdown of the social fabric that results from the growth of inequalities.

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