

**Special Session**  
**Eradication of Poverty through Human Rights Economy**

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through Human Rights Economy  
Full Paper**

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Great contribution of the paper is to tell us how to move towards an HRE. Very comprehensive, detailed, and compelling. Why we needed and how to articulate it. Absolutely clear. There is nothing on principles like better accountability and transparency, more equitable spending and progressive taxation, more focus on climate change, tackling discrimination, clear well-functioning dispute settlement mechanisms, emphasis in care and support systems, and a long etcetera, that one would oppose in terms of reducing growth or efficiency opportunities. The main contribution of this note is to argue that an HRE is possible, how to achieve it, and making the point that it is smart economics, that is, it might reduce inequality without reducing efficiency.

Having said that, I want to focus on four technical and practical points when implement this blueprint in practice, realizing that even to try it you need a healthy space for dialogue and sufficient commitment from citizens, governments, donors to pursue an HRE. I am acutely aware that this is not always the case, of course.

(A) The principles of progressive implementation and maximum available resources are absolutely meaningful principles both in theory and in practice, but they can still not guarantee enough resources for delivering something close to a universal health system or ensuring food security in a MIC, let alone a LIC. If progressivity requires many decades or maximum available resources are tiny in an economy with a low tax base, how long we will need to make a real inroad towards an HRE? In other words, how long we can afford to wait or build progressive and maximum available principles before making a true difference into HRE?

(B) Data, data, data. I was particularly happy to see references to data in all suggestions of the HRE position paper. Very important to recognize that an HRE needs to be built from evidence. But that evidence building requires capacity, resources, and priorities among international community and local counterparts that we don't have fully worked out. This is even within our own institutions, when data is sometimes replicated, money is not enough to engage in larger operations, or we proceed in piecemeal fashion to collect data on different fronts with little integration. Need not only more data and more capacity but a STRATEGY to prioritize that data collection. For example, now we have data for about 40 countries on PWD but without harmonization. At the same time, we have no data in terms of SOGI discrimination in household surveys. Which one should be prioritized, more data on PWD previously

harmonized or some data on SOGI? Not an easy decision within or across institutions!

(C) Aspirational is almost presented almost negatively. I would contend that. My institution main goal, ending poverty, 0 poverty, is aspirational. However, inequality goals are not even aspirational as 0 inequality is not currently agreed worldwide or within a given country to be unequivocally an objective. Having HRs-related being aspirational is totally fine with me. We need a global consensus, no matter whether aspirational and therefore guiding a course of action in a distant future or, rather, more at hand, where the guidance course is much more concrete perhaps and we can all visualize it more carefully. Whatever it is, aspirations are needed to define a course of action.

(D) How do we translate the concepts of just and fair to the tools economic decision makers, policy makers look at? This might be obvious from a legal, political science, sociologist point of view (or perhaps not) but I think it is critical because those taking decisions, especially at the budgetary level, are mostly economists using efficiency as critical guide. Justice and fairness may mean different things in practice: same benefits to everyone, same opportunities to everyone, targeting to the poorest, and other things. Being able to articulate a concept of social justice and fairness that can be translated into economic goals and tools is critical to operationalize an HRE.

**You mentioned before in your initial round of comments that we need to technically integrate the concept of fairness and just in the analytical tools around the Human Rights Economy. How do we do that? Do you have any examples?**

Right now, the way to understand how our investments, spending or taxes affect individuals, citizens, populations is too simplistic. We follow the benefits and the tax burdens caused by expenditures and taxes, respectively, and see under some assumptions on the household income, consumption, and labor patterns, whether they are proportionally, progressive or regressively distributed.

So, if the poor receive more resources from the government, we say that spending is progressive or pro-poor.

I think that is not enough for a HRE and we need to expand the analysis on three directions.

First, we need to unpack our households or identify our individuals following more meaningful groups from a social inclusion perspective, so instead of income poor we talk of ethnic minorities, children, women, migrants.

Second, we not only or mainly categorize them by their incomes, consumption, or wealth, but instead by the extent to which they are able to participate in society.

Third, the question is not whether the poorest 20% of income poor distribution is getting more than 20% of social benefits, but how the State benefits or taxes the most vulnerable individuals BECAUSE they have the worst circumstances or certain identities that make them enjoy fewer equal opportunities.

This is what I called the OPPORTUNITIES INCIDENCE ANALYSIS, that extends the traditional FISCAL INCIDENCE ANALYSIS

We pilot one example for education in Paraguay.

We estimated which where the conditions that made children less likely to attend and finish school. Three stood out:

- Living in rural Areas.
- Only Guarani spoken at home.
- Low educational attainment of mother.

Combining categories across these three dimensions (location, language at home and mothers' education) we created 16 types of individuals. The most vulnerable were children in rural households, only Guarani at home, and mother 0-5 years of education. While the least vulnerable in terms of equal opportunities in education were children in urban setting, speaking Spanish at home and mother 10+ education. The latter were almost 25 pp more like to go to attend school.

We then tracked how much investment in education each child in each group received. We measured their size in the population.

We concluded that the sixth most vulnerable groups were receiving much less benefits than they should have based on their size and their gaps in equal opportunities understood as their ability to attend school. We could then measure those gaps across our 16 groups; rank groups based on those gaps; and estimate the cost of additional investments to close such opportunity gaps for those 6 groups. We could also know how much of those resources would be spent on cities vs rural areas.

We need that kind of more granular analysis!