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**SUBSTANTIVE INPUT**  
**for the twelfth session of the**  
**GENERAL ASSEMBLY OPEN-ENDED WORKING GROUP**  
for the purpose of strengthening the protection of the human rights of older persons

**Comments on Focus Area 2, Economic Security**

We comment on Focus Area 2 in view of global policies pertaining to all countries in the world. For answers to the questions relating to Germany in particular, we refer to the answers given by the German government and by BAGSO.

**Question 2, definition of poverty**

The most common international definition of poverty is the i\$/day measure created by the World Bank, because non-monetary indicators of poverty are more difficult to define and get data on. But this indicator is not enough.

Poverty has many faces. We therefore propose to use a set of indicators of poverty, rather than only one indicator. A set of indicators would help to trace different degrees and different types of poverty, which may call for different policies. Having a variety of indicators in hand would also make normative choices about anti-poverty policies more explicit.

We propose to use three types of poverty indicators:

1. Income poverty. Income poverty can and should be measured in a variety of ways: by national as well as international indicators, in absolute and in relative terms, and by different degrees, e.g., defining poor persons as falling below 60%, 50%, or 40% of median income in a country. Moreover, negative income, that is, debts, should also be measured. Regarding the income of older persons, in particular, it is important to measure the overall income rather than only income from a person's pension. In Germany, for example, many older persons have a low statutory pension, but due to other sources of income only few older persons fall below the social assistance threshold.
2. Deprivation. The EU defines nine items as crucial components of an acceptable living standard; deprivation is then defined as the absence of three items. Deprivation measures are particularly suited to countries with less monetarized economies. Income poverty and deprivation do not necessarily coincide: persons may be income poor but not deprived, or be deprived but not income poor.
3. Eligibility to social assistance. If a social assistance programme is in place in a country, geared

to securing a socio-cultural minimum, eligibility to social assistance can be seen as an indicator of poverty.

The last two indicators of poverty – deprivation and eligibility to social assistance – help to measure whether a country secures an “adequate standard of living” in several dimensions, as called for in Article 11 of the International Covenant on Economic, Social and Cultural Rights.

#### **Question 4, datasets and statistics**

Although more and more global datasets are being created that cover many or all countries in the world, we still need a lot more and better data on poverty. Ideally, we want data on all three poverty indicators mentioned above (income poverty, deprivation, eligibility to social assistance). The EU has datasets on income poverty and deprivation, while in the global South data is often scarce.

#### **Question 5, policies addressing economic insecurity and poverty**

A key requisite of policies addressing economic insecurity are standards. Global policies mostly focus on extending the coverage of public programmes, while being vague or even silent on benefit standards. A key aim of international policies and law should be to establish well-defined standards of living. The term “adequate standard of living” mentioned in the International Covenant on Economic, Social and Cultural Rights is too vague; the term was chosen because no consensus could be reached on securing a minimum. Therefore, minimum standards, e.g., for social pensions, should be established in international conventions and proclamations, coupled to a monitoring mechanisms.

Standard-setting should not only refer to benefit levels, but also to other important aspects such as the qualifying age (age of retirement) implemented in public pension programmes. In some countries of the global South, the qualifying age is set so high that most older persons have died before they reach that age.

#### **Question 7, good practices**

Two good practices from Germany could inform policies in other countries. First, indexation of pensions, which is not often found in countries of the global South. From a life course perspective and in view of intergenerational justice, indexing pension benefits is crucial. In Germany, pensions are indexed according to changes in wages in the labour force. Since real wages have grown in most years, this has benefited pensioners. But it may occur that inflation is higher than changes in wages, then price indexing would be needed to secure the living standard of older persons. One could think of ways of combining wage indexation and price indexation.

Second, responding to the gender gap which is common in public pension programmes across the world, the German government has introduced pension credits for child-rearing. For each child a person, mostly the mother, is credited three years of contribution paying of an average contributor.