

CESR's Response to the Call for Inputs by the Special Rapporteur on Contemporary Forms of Racism, Racial Discrimination, Xenophobia and Related Intolerance – June 2022

The Center for Economic and Social Rights (CESR) welcomes the opportunity to provide inputs on the call to inform the [Special Rapporteur's report on Climate and Racial Justice](#). In this submission, CESR focuses on reforms to global economic governance and the link between resource generation and the capacity to respond to climate change and its racially disparate impacts.

Combating climate change requires the establishment of a just and equitable economic order

The SR's report on [reparations for racial discrimination](#) noted that **“States must treat the pursuit of a just and equitable international order as an urgent dimension of reparations for slavery and colonialism.”** To achieve this outcome, States are obliged to take action against the current climate crisis which is the direct result of an unequal global economic structure which flourished in the colonial era mainly through [resource extractivism](#). Resource extractivism disproportionately benefited the Global North, caused environmental degradation and exposed local communities to health hazards throughout the life cycle of extraction, procession, distribution, consumption and disposal of waste. This harmful and racialised legacy continues today with major fossil fuel giants such as Glencore, Chevron, Exxon, BP, Shell and state owned companies such as Saudi Aramco and Gazprom continuing to be some of the [biggest carbon emitters](#) and environmental polluters. One such example is Shell's well-documented destruction of the land and livelihoods of the [Ogoni people in the Niger Delta](#) including its complicity in murder, rape and torture of community activists who have resisted the destruction of their way of life. On the other hand, the tax avoidance strategies of [extractive companies such as Glencore](#) have robbed countries in the Global South of billions of dollars in potential tax revenue which constrains their fiscal capacity to comply with their obligation to devote their “maximum available resources” to the realization of economic, social and cultural rights.

In addition, until the addition of plastic waste in Basel Convention amendments in 2018, high-income countries were [exporting plastic waste](#) for disposal to lower-income countries without their consent. These discriminatory trade practices are entrenched through a colonial mindset of 'othering' the Global South which are causing direct impacts including environmental degradation. Despite such evidence, discussions on climate change, even when couched in the language of human rights, often overlook **the link between global economic governance and climate change**. [The Paris Climate Agreement](#) recognizes the differential level of contribution on fossil fuel burning and ability to take climate action on the principle of "common but

differentiated responsibilities and respective capabilities” (CBDR- RC). However, it does not explicitly define the impact on racially subordinated groups and indigenous peoples. Rather, it uses a blanket term to define climate change as a '**common concern of humankind**' and remains silent on the issue of colonialism and an unequal global economy.

We would like to highlight the fact that UN climate change mechanisms and policies are not **intersectional** because **they fail to link the climate crisis with the multiple and interlocking forms of oppression faced by people belonging to racially marginalized groups**. To strengthen the response to climate change, reforms to global economic governance are required because tax justice, debt justice and climate justice are interlinked. Without sufficient resources to adapt and mitigate the effects of climate change, the climate crisis much like the pandemic will supercharge inequalities along race, gender and other lines and have a disproportionate impact on countries in the global South whose subordinated position in the global economy is directly related to the unaddressed legacies of slavery and colonialism.

In this respect, a key tool for addressing contemporary structures of racial discrimination (including the ways in which they are exacerbated by climate change) is the **democratization and decolonisation of global economic governance**. This includes challenging the existing tax regime to enable countries in the global South to have a genuine say in the policies and processes which determine rules on debt and tax. CESR's work has highlighted the need to [decolonise and democratize the global tax agenda](#) including combating illicit financial flows and to close down [tax havens](#) which drain much-needed resources from countries in the Global South. Potential rights-aligned international tax reforms would involve amongst other things, the establishment of an intergovernmental tax body under the auspices of the UN; a UN Tax Convention which strongly incorporates and reflects human rights obligations including substantive equality and non-discrimination; a global minimum corporate tax of at least 25% which enables countries in the Global South to have sufficient fiscal space to tackle poverty, inequality and invest in public services (unlike the inadequate OECD Two Pillar solution); concrete transparency measures to deter large scale tax abuse and illicit financial flows; and rejecting decision-making fora which have neocolonial dynamics such as the OECD.

In addition to tax, the growing debt crisis in the Global South and the conditionalities attached to loans from international financial institutions, private creditors and development banks, also has constrained the fiscal capacity of States to effectively respond to climate change. CESR's work on the potential [rights-aligned reforms to the debt crisis](#) aims towards the establishment of a just and equitable economic order. Amongst other things, these reforms include widespread debt cancellation and forgiveness; a massive issuance of Special Drawing Rights and broader structural reforms such as the regulation of credit rating agencies. At the heart of these proposals is the recognition that the current global economic governance frameworks and institutions are neo-colonial in nature and entrench historical legacies of racial subordination. Moreover, much of the debt held by Global South countries is [colonial in origin](#). Reforms to

international systems of debt and tax are essential to free up fiscal space to address climate change. These reforms however would be incomplete without [sufficient ramping up of climate finance](#) which countries in the Global South desperately need and should in fact be regarded as climate reparations given that the latter countries bear the least responsibility for climate change.

Fiscal justice as a tool for climate justice and racial justice

Because climate change will have disproportionate impacts on marginalized groups including racially subordinated groups such as people of African or Asian descent, indigenous peoples, racial and ethnic minorities, investment in essential public services will be necessary to combat systemic inequality. Social security and protection of the right to work (including a living wage and decent standards of work) are key considerations in enabling a just transition as workers belonging to marginalized communities in the Global South stand to be most affected by the transition to a green economy. Fiscal justice is one of the key tools in this regard.

The [Principles for Human Rights in Fiscal Policy](#) developed by CESR and its partners illustrate what a just fiscal framework can achieve for the realization of social, economic and environmental rights. In this regard, states should expressly adopt an [ethnic and racial equity focus in fiscal policies](#). This means that the perspectives and rights of Indigenous, Afro descendent and peasant communities should be incorporated in a crosscutting manner in fiscal policy and coordinated with other public policies. Moreover, their own economies should be maintained and strengthened through specific intercultural dialogue mechanisms and by ensuring that self governance mechanisms are appropriately financed. In the fight against climate change it will be important for States to adopt fiscal policy which is environmentally sustainable. In addition, States should respect their extraterritorial obligations. [Principle 13](#) states that: “States, and the international institutions of which they are members, must offer assistance and international cooperation in fiscal matters. They must create an enabling global governance environment with the aim of achieving the full realization of human rights.” Importantly this includes regulating the conduct of businesses and their human rights impacts including conduct of multinational corporations which entrench racial subordination through extractivist industries and unjust rules on intellectual property.

Climate justice must be intersectional

In order to be effective and meaningful, climate justice must be intersectional and climate adaptation/mitigation efforts must be aimed at tackling multiple and intersecting forms of discrimination. This means climate justice must take seriously the way multiple systems of oppression such as racism, patriarchy, homophobia and so on create compounded and distinct advantages for certain groups. A truly just and rights-aligned form of climate justice must seek to depart from the neo-liberal economic paradigm and agenda set by powerful Global North

countries and international economic governance bodies based in those countries. Instead, an intersectional climate justice agenda must provide space for rights-aligned and decolonial developmental pathways to emerge such as *buen vivir*, degrowth and social and solidarity economies. CESR's [Rights-Based Economy](#) is one such paradigm of which its central pillars are to democratize and decolonise global economic governance; combat intersecting oppression and give effect to substantive equality. RBE seeks to ensure everyone can enjoy a dignified life whilst respecting planetary boundaries and firmly rejecting the relentless pursuit of economic growth. It calls for redistributive and non-retrogressive economic policies and transformation of economic governance at the local, regional and global levels.

Building a global economic system built on anti-racist principles and challenging corporate power

The recent and groundbreaking [statement of the CERD](#) on vaccine inequity is a timely acknowledgement of racism as a global system rooted in legacies of slavery, colonialism and apartheid that largely remain unaccounted for today. Moreover, whilst made in the context of the pandemic, its rationale can be extended to the fact that tackling the climate crisis - much like the pandemic - will require reforms that challenge the logic of neoliberal capitalism. This includes challenging the intellectual property and other rights of corporations (largely headquartered in corporate tax havens and secrecy jurisdictions) who hold onto key technologies which are essential for climate adaptation. Policies which protect the rights of multinational corporations are also what continue to reproduce an extractivist economy that destroys the livelihoods of racially marginalized communities and places people over profit. Challenging the hegemony of corporate power and how it is enmeshed in the climate crisis must be key in combating the racially disparate impacts of climate change both within and between countries.

Conclusion

First, in order to combat climate change it is essential that the global economic system which itself is a product of racial capitalism and colonialism be fundamentally transformed, to align better with human rights including the obligation to mobilize maximum available resources for economic social and cultural rights, to tackle intersecting forms of discrimination and achieve substantive equality, and to cooperate internationally (extraterritorial obligations). Addressing the climate crisis cannot be done without the establishment of a just and equitable economic order. This would involve reforms to the institutions and policies around tax and debt because of how these constrain the capacity of countries in the Global South to respond adequately to climate change and realize human rights. Second, States must adopt rights-aligned fiscal policies as a tool to advance racial and economic justice in the context of climate change. Third, any rights-based notion of climate justice must be intersectional and rooted in a concern to tackle and dismantle multiple inequalities and provide space for alternative developmental pathways which respect human rights and planetary boundaries. Rights-aligned and decolonial pathways

would include more substantive regulation of multinational corporations and their insidious impact on racialized communities impacted by climate change.

We would be happy to provide more information, please write to us at Ohene Ampofo-Anti (oampofoanti@cesr.org) or Alina Saba (asaba@cesr.org)

List of cited CESR resources:

Center for Economic and Social Rights and Christian Aid (2020): A Rights-Based Economy: Putting People and Planet First.

<https://www.cesr.org/rights-based-economy-putting-people-and-planet-first/>

Half Measures: Global Digital Tax Proposals Fall Short of Realizing Human Rights (2022):
<https://www.cesr.org/half-measures-global-digital-tax-proposals-fall-short-of-realizing-human-rights/>

Principles of Human Rights in Fiscal Policy (2021): Documents and Sources

<https://derechosypoliticafiscal.org/en/resources/documents-and-sources-en>

Center for Economic and Social Rights (2022): Key Concepts - Human Rights and the Economy: Sovereign Debt and Human Rights.

https://www.cesr.org/sites/default/files/2022/Sovereign_Debt_and_Human_Rights.pdf