

A Rights-Based Economy

Putting people and planet first

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CENTER FOR ECONOMIC AND SOCIAL RIGHTS

SOCIAL JUSTICE THROUGH HUMAN RIGHTS

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CESR's vision is of a world in which a just distribution of resources and power enables current and future generations to live with dignity, in full enjoyment of their economic and social rights. In pursuit of that vision, our mission is to harness the power of human rights to inspire fairer and more sustainable economies.

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List of acronyms

CESR	Center for Social and Economic Rights
COVID-19	Coronavirus disease 2019
ECLAC	Economic Commission for Latin America and the Caribbean
ETO	Extraterritorial obligations
EURODAD	European Debt and Development Network
G20	Group of 20
GDP	Gross domestic product
ICESCR	International Covenant on Economic, Social and Cultural Rights
ILO	International Labour Organization
IMF	International Monetary Fund
OECD	Organisation for Economic Co-operation and Development
PPP	Public-private partnership
RBE	Rights-based economy
SDG	Sustainable Development Goals
UBI	Universal basic income
UDHR	Universal Declaration of Human Rights
UNDP	United Nations Development Programme

Executive summary

The COVID-19 pandemic has shone a spotlight on the fundamental injustice at the core of our current economic model, which results in scarcity and precarity for the many, and unimaginable wealth for the few. The economic fallout from the pandemic and the inadequacy of governments' responses to it are prompting more and more people to question the morality of an economic system which for decades has placed the market at the centre of all human interactions, measuring progress and development solely in terms of economic growth.

In this publication, the Center for Economic and Social Rights (CESR) and Christian Aid – two international organisations working for human rights and economic justice – ask: what would it look like if we had an economy based on human rights?

In sketching out this initial vision of a rights-based economy (RBE), we argue that its primary purpose would be to guarantee the material, social and environmental conditions necessary for all people to live with dignity on a flourishing planet. The measure of its success is whether all people are able to enjoy their full rights – economic and social, civil and political, cultural and environmental – without discrimination and without reducing the ability of future generations to do so.

Human rights enrich our vision of economic justice by providing a widely agreed framework of ethical values and legal obligations that should underpin our economies, informed by a holistic understanding of human wellbeing. They demand action to redistribute resources, remedy inequalities and rebalance power. They therefore challenge the logic of the currently dominant model and bolster the compelling alternative visions of a just economy advanced by feminist, indigenous and environmental movements, among others.

Section 1 of the report looks at the **values that should guide the RBE**. It explores how the standards and principles of human rights law give force, flesh and specificity to fundamental values such as **dignity, equity, fairness, solidarity, accountability** and **justice**, which resonate strongly in current debates around alternative visions of the economy.

Section 2 then looks at **what it would mean to embed these values in our economies**. It explores how a rights-based approach would transform critical areas of economic policy:

- In the RBE, comprehensive and universal **social protection systems** are a fundamental tool for ensuring guaranteed income and a dignified life for all, even when faced with unemployment, poverty, sickness, disability or old age.
- Rights-based **labour and wage policies** ensure that work is empowering, safe and dignified; that wages provide enough for the full range of basic human needs; and that power differentials between employers and employees do not inhibit workers' collective bargaining and other fundamental rights.
- **Public services** in the RBE ensure that everyone – regardless of income – has access to the essential goods and infrastructural foundations for a

The purpose of a rights-based economy is to guarantee the material, social and environmental conditions necessary for all people to live with dignity on a flourishing planet.

dignified life. After decades of commodification and privatisation, shifts such as ‘remunicipalisation’ are seeking to ensure that public services are democratically governed and aimed at tackling disparities.

- Rights-centred **tax policy** – including corporate and wealth taxes that ensure the rich pay their fair share, coupled with robust action against tax abuse – would reverse the trends of recent decades which have robbed countries, particularly in the Global South, of their available resources and disproportionately burdened the already disadvantaged with the costs of contributing to the public coffers.
- In the RBE, robust **corporate regulation** and alternative corporate models – from cooperative movements to worker buy-outs and employee share-ownership schemes – are put in place to ensure that corporations no longer simply extract and exploit, but contribute towards society and reward workers fairly.
- An equally seismic shift is needed in **global economic governance**. In a global RBE, wealthier countries would refrain from impeding socioeconomic rights realisation in low and middle-income countries, including by cancelling debt and by cooperating, not competing, in response to collective problems such as climate change, pandemics and illicit financial flows.

Section 3 outlines **the systemic shifts needed** to weave these specific policy changes together, and to fundamentally transform what we produce, distribute, consume and value in our economies.

- **From exploiting and plundering natural resources to respecting planetary boundaries...** The RBE nurtures a respect for planetary boundaries and for the lives and rights of future generations.
- **From a fixation on economic growth to more holistic, ecologically sound and human-centred measures of success...** Gross domestic product (GDP) has for too long been the dominant metric of development. The RBE employs measures of progress that value human rights and planetary flourishing.
- **From taking care for granted to recognising its place at the centre of our societies...** The neoliberal economy has devalued, exploited and taken for granted care and domestic work, overwhelmingly performed by women. The RBE has feminist values at its core, treating care and domestic work not as an ‘externality’, but as the lynchpin of our societies and economies.
- **From valorising the private sector to reclaiming the power of the public...** Allowing markets and private actors to direct and dominate the economy has manifestly failed to produce socially or environmentally just outcomes. Expanded universal public health and social protection systems, and coordinated government action to avert the climate crisis, will be litmus tests of good governance in the RBE.
- **From corporate monopolies to worker and community power...** Corporate concentration has reached extreme levels. To bring about a rights-based, environmentally just economy, we need to break up corporate power and fundamentally reimagine corporate models and forms.

The corporate and elite capture of political systems and the spread of authoritarian movements and fundamentalist economic theories go hand in hand around the world. But they have spurred worldwide protest and a rise in people’s counter-power.

- ***From elite capture to renewing democracy...*** The corporate and elite capture of political systems and the spread of authoritarian movements represent profound threats to democracy around the world. But they have spurred worldwide protest and a rise in people's counter-power. **A shift to the RBE requires harnessing this power to** democratise and decolonise economic decision-making at all levels: local, national and global.

The current moment provides an unmissable opportunity to advance a vision of the RBE and catalyse action across movements, from mobilisation and organisation to popular education and narrative change. By joining forces, we can transform our economies to put human dignity and flourishing at their centre. Human rights can not only inform a new vision of economic justice, but also guide our pathway to achieving it.

Introduction

The COVID-19 pandemic has provided a stark illustration of what social movements have been saying for decades: we have to fundamentally alter the way we interact with one another and with our planet.

The pandemic has shown that our interdependent economies are vulnerable to systemic risks, which can upend the basic workings of an economy and cut millions off from their livelihoods. Many governments, international institutions, activists and business actors are now pushing for a new economic model, to 'build back better' after the crisis.

However, from a human rights and justice perspective, our economies were in crisis long before COVID-19 struck. Even by the most optimistic estimates, 10% of the world's population (734 million people) were already extremely poor – surviving on less than \$1.90 a day¹ – with almost half of humanity living on less than \$5.50 a day.² The number of people affected by hunger globally has been rising since 2014. Almost 690 million people (8.9% of the world's population) were undernourished in 2019.³

At the same time, the 10 wealthiest people in the United States collectively own \$853 billion⁴ – enough to bring everyone in the world above the official poverty line several times over. The 22 richest men on the planet have more wealth than all the women in Africa put together.⁵ In recent decades, the gap between rich and poor has been growing ever more extreme.

Initial assessments show that the COVID-19 pandemic is likely to exacerbate these glaring inequalities, with an additional 150 million expected to fall into extreme poverty by 2021,⁶ while billionaires further increase their fortunes. So, COVID-19 has shone a spotlight on the pre-existing condition at the heart of our economies: scarcity, precarity and injustice for the many; and unimaginable plenty for the few.

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What is the purpose of the economy?

This state of affairs raises a fundamental question that does not get asked enough: what is the economy *for*? The economy is so taken for granted as an invisible force that shapes our lives that we don't often stop to ask this basic question. Doing so illuminates a great deal about what we value in our societies.

If we were to ask what the purpose of the economy *we have now* is, many might say 'economic growth'. This growth is often measured by a country's GDP. Countries that increase their GDP are deemed successful. 'Development' might be another purpose that springs to mind. Some might also flag 'poverty reduction'. Both of these are usually seen as resulting from economic growth, or as something that governments should intervene to do *after* the market has already distributed resources in the most 'efficient' way.

The economic system in place in much of the world is often described as 'neoliberal'. 'Neoliberalism' has been defined as 'a socioeconomic and political project that places the market at the centre of all human interactions, all in the

pursuit of economic growth'.⁷ That is, the neoliberal economy is understood to produce widespread prosperity through the unfettered operations of the free market. Following decades of the so-called 'Washington Consensus' – which emphasised a small state, deregulation, privatisation and low taxes – the modified version that prevails today has been called the 'post-Washington Consensus',⁸ whereby governments are accepted to have the role of ensuring basic service provision for the poorest and regulating some market failures, as long as this does not impede the free market, freedom movement of capital and incentives given to capital.

The economic theory that underpins neoliberalism is based on a number of assumptions.⁹ The first is that human beings are rational actors who try to 'maximise utility' given scarce resources, meaning that we try to 'have the maximum possible of what we want' with what we have.¹⁰ Where neoliberalism holds sway, the market is assumed to do this for us, because it can find 'equilibrium' between supply and demand. The market is understood as a neutral arbiter which should seldom be interfered with. These assumptions almost never hold true in reality, as decisively demonstrated by the 2008-2009 financial crisis and government responses to it; but they are often deeply ingrained in the way the economy is understood and managed. So they strongly influence economic approaches, even if governments do not buy into them entirely.

**If we had an economy based on human rights, what would its purpose be?
*What would a successful RBE look like?***

The purpose of the RBE is to guarantee the material, social and environmental conditions necessary for all people to live with dignity on a flourishing planet. The measure of success would be if all people were able to enjoy their full rights, without discrimination and without reducing the ability of future generations to do so. These include economic and social rights such as food, water, decent work, housing, social protection and health. They also include civil and political rights such as freedom of assembly, freedom of speech and the right to a fair trial. All human rights are interdependent and indivisible – they come as a package, so cannot be cherry-picked.¹¹ They constitute an internationally agreed normative framework that applies to all areas of public policy, and are therefore of central relevance in framing the core objective of the economy and guiding how it is governed, nationally and globally.

In the RBE, governments would cooperate internationally to realise rights and reduce inequalities across borders. Indeed, the elimination of extreme inequalities across borders is a necessary precondition for the realisation of rights in most countries in the Global South. Global arrangements on everything from tax, investment and trade policy to tackling transnational crimes and pandemics would be anchored in a commitment to create an international order in which everyone's rights can be realised. These aspects of global economic governance are often discussed in international debates on 'policy coherence for development', but not as a matter of human rights.

There are several unique strengths to actively building our visions of economic justice around human rights:¹²

In a rights-based economy (RBE), governments would cooperate internationally to realise rights and reduce inequalities across borders.

- First, the universal character of human rights provides a **widely agreed language** to talk about the values that should underpin our economies. Human rights are codified in a comprehensive framework of binding standards and principles. These have been agreed by the vast majority of governments and shaped by the struggles of countless communities deprived of their rights. Indeed, many have argued that human rights are ‘intuitive’: the bundle of protections that a great many peoples arrive at, across different cultures and generations. Intuitively, universally, demonstrated by the practice of everyday struggle, we know that people ought to be free from hunger; to be able to choose their own government; and to enjoy all the other conditions for human flourishing outlined in the Universal Declaration of Human Rights (UDHR), international and regional human rights treaties and other instruments. This makes human rights a potentially powerful and unifying framework for advancing economic justice.
- Second, human rights **create legal obligations** that governments and other powerful actors (eg, large corporations) must comply with. Recognising that public goods such as health, water and education are rights means recognising that they are so essential for human dignity and wellbeing that access to them must be guaranteed to all; it cannot be left to the whims of the market or to the total discretion of decision-makers. Ensuring that all people can enjoy their human rights on an equal footing demands action to redistribute resources, remedy inequalities and rebalance power. This directly challenges the logic of neoliberalism, giving primacy to people’s human rights, as internationally recognised, over the spurious ‘rights’ of investors and corporations.
- Third, human rights give us a holistic picture of wellbeing. The human rights framework¹³ contains a broad spectrum of rights: civil, cultural, economic, environmental, political and social. Many actors interpret human rights narrowly, as being mainly about civil liberties. But they are far more holistic than that. Rethinking our economies on the basis of this broad range of rights – from the right to a fair trial to the right to be free from hunger and the right to enjoy the benefits of scientific progress – helps to overcome stale ideological debates over whether ‘civil liberties’ or ‘development’ (both narrowly defined) should be prioritised by governments. All rights are explicitly understood as interrelated and indivisible – the right to health is just as non-negotiable as the right to freedom of expression – and indeed, they depend on each other. This reflects a much more compelling and accurate vision of our intertwined lives, societies and economies.

The universal character of human rights provides a widely agreed language to talk about the values that should underpin our economies.

That said, the RBE is not intended to replace or override other compelling visions of alternative economies. In constructing this vision, we draw on other mutually enriching conceptions, including *buen vivir*, solidarity economies and feminist economies. The RBE is intended to include and make space for these visions to flourish; to crowd them in, not crowd them out.

Ultimately, rethinking the economy to align it with human rights requires a dramatic shift in how we produce, distribute, consume and value different goods and services. This will be explored further in subsequent sections.

Section 1: What are the values that should guide a rights-based economy?

In a context of converging crises propagated by greed, consumerism, nationalism, exploitation and systemic discrimination, more and more people are clamouring to re-programme our economies based on a radically different set of values, centred on human wellbeing and flourishing within planetary boundaries. Many are advancing visions based on collective models and experiences centred on living in solidarity with other people and in harmony with the environment.

Human rights law reflects and codifies a number of fundamental values considered universal because they are rooted in the inherent dignity and equality of all members of the human family.¹⁴ In non-legal terms, these are often expressed in many different ways as **dignity, equity, solidarity, accountability** and **justice** – terms with strong resonance in today's debates around the economy. The standards and principles of human rights – particularly socioeconomic rights – have much to say about what these values mean in relation to the economy. Anchored in treaties that almost every government around the world has signed up to, they give legal and moral force and flesh to these commonly held values.¹⁵ This a concrete way in which human rights can help to transform socioeconomic policies and systems, as well as the narratives and beliefs that sustain them.¹⁶

Dignity

The biggest failure of the neoliberal market economy is that it has not secured conditions of dignity for the majority of the world's population. By official measures, extreme poverty (defined as the number of people living on less than \$1.90 a day) has declined globally. But as many researchers and experts have shown,¹⁷ this amount is simply not sufficient to meet basic needs and live in dignity, which makes the official narrative about poverty reduction very unhelpful.¹⁸ By the logic of the \$1.90 poverty threshold, extreme poverty is virtually non-existent in wealthier countries – and yet this is manifestly untrue. We see hundreds of thousands of people in the United States and the United Kingdom struggling with homelessness or queueing for food banks – a tragedy also called out by the UN Special Rapporteur on extreme poverty and human rights.¹⁹ Moreover, COVID-19 has exposed the poverty reduction that has been achieved as incredibly fragile.²⁰ The United Nations Development Programme (UNDP) estimates that progress in poverty reduction across 70 'developing' countries could be set back three to 10 years;²¹ while a recent paper from the United Nations University World Institute for Development Economics Research says that the COVID-19 crisis will force up to half a billion people into poverty.²²

A 'dignified life' may mean different things to different people. But there are basic fundamentals implied in the provisions of the UDHR: everyone should have a roof over their head; enough food to eat and clean water to drink; access to the healthcare they need and to an education; paid work in decent conditions should they so choose; and the ability to make decisions about their own life. **The RBE would strive to guarantee at least these basic conditions**

The real economy is measured not by monetary value, but by the extent to which it provides for our needs, including valuing care in providing support for reproduction and sustenance at all stages of human life.

to everyone. These must also include a healthy environment to live and thrive in; access to the goods and services that allow them to live a healthy, safe, flourishing life; and peace of mind that they will never be left destitute due to sickness, unemployment, disability, old age or caregiving responsibilities. The real economy is measured not by monetary value, but by the extent to which it provides for our needs, including valuing care in providing support for reproduction and sustenance at all stages of human life. Thus, the care economy is the fundamental foundation of dignity in the RBE: everyone should have the right to care and be cared for in supported, dignified conditions, with the burdens and benefits shared equally.

RIGHTS AS A FRAMEWORK FOR DEFENDING DIGNITY

The human rights framework – particularly socioeconomic rights – gives specificity to ideas of what is needed for a dignified life. The International Covenant on Economic, Social and Cultural Rights (ICESCR) enshrines the rights to work in decent conditions, to education, to health, to social security, and to an ‘adequate standard of living’. The latter encompasses a number of crucial elements, including housing, water and sanitation, food, clothing and ‘the continuous improvement of living conditions’. The elements of each of these rights have been further unpacked by the Committee which oversees the ICESCR, and by relevant independent experts (or ‘Special Rapporteurs’) appointed by the UN Human Rights Council. Economic and social rights are also codified in other core international human rights treaties and bolstered by other internationally agreed norms. For example, International Labour Organization Conventions provide complementary standards for ensuring dignity at work. Economic and social rights are also recognized to varying degrees in most constitutions and national legal frameworks.*

Governments must ensure that everyone within their jurisdiction enjoys at least a basic ‘minimum essential level’ of all of these rights *as a matter of immediate priority*. Primary education must be available free to all, without delay, for example. But progressive realisation requires going beyond this minimum floor. Governments must also prove that they are taking concrete and reasonable steps to dedicate their ‘maximum available resources’ towards the full achievement of these rights for all people within their jurisdiction, without discrimination and within the swiftest possible timeframe.

There is also a strong presumption that ‘retrogressive’ steps (eg, austerity measures rolling back particular provisions, benefits or services that people rely on) violate governments’ obligations of progressive realisation, particularly where other less harmful budgetary options are available.**

* See the Toronto Initiative for Economic and Social Rights, www.tiesr.org.

** Chairperson of the Committee on Economic, Social and Cultural Rights, Statement on Public Debt, Austerity Measures and the ICESCR (2016) E/C.12/2016/1

Equity

Perhaps the most commonly expressed concern is that economic policies, systems and transactions should be ‘equitable’. These systems shape the distribution of economic and political power among social groups.

Such systems may distribute power explicitly; or they may do so implicitly, operating in the background to condition how groups bargain or how level the playing field is. Under our current economic model, such power is concentrated and plays out along the lines of race, gender and other types of social status. For example, of the 10 richest people in the world,²³ all are men and all but one are white. Even supposedly ‘neutral’ economic policies in fact have

significant hidden biases. These create or entrench disadvantage on the basis of sex, gender identity, sexual orientation, race, ethnicity, immigration status, disability, age or other characteristics. Centring a progressive understanding of equity – understood in light of human rights principles of **equality** and **non-discrimination** – as a foundational value of the RBE means recognising different starting points and implementing measures (eg, affirmative action) to close the gaps in outcomes, not just opportunities, and tackle their root causes.

NON-DISCRIMINATION AND SUBSTANTIVE EQUALITY

The principles of **equality and non-discrimination are the lynchpin of all international human rights treaties**. Many people associate the idea of ‘equality’ with equality of opportunity. This is the idea that as long as everyone can, in theory, compete on a ‘level playing field’ in an open competition, justice is served. But of course, no playing field is perfectly level and everyone has different starting points and obstacles to overcome. Under human rights law, equality has a very specific – and transformative – meaning. Governments must ensure **‘substantive equality’** between men and women, for example. That is, women must be able to enjoy their rights equally with men *de facto* (in practice or in reality), not just *de jure* (in law or in theory).

The Convention on the Elimination of All Forms of Discrimination Against Women says that governments must create the ‘enabling conditions’ for substantive equality – including in the economic sphere. This includes removing hurdles (including gender stereotypes) that hinder women from obtaining equal outcomes. They are also required to enact **‘temporary special measures’ or ‘affirmative action’ to accelerate substantive equality and redress women’s historical disadvantage**. Policies must also take into account **‘intersectional’ discrimination and inequalities** – for example, the way that women’s multiple identities can compound and overlap. A poor black woman will likely experience more discrimination in the workplace than a wealthy white woman, for example; and a trans woman is more likely to experience violence and discrimination than a cisgender woman.* Substantive equality is not just about the relationship between men and women. Governments must also end racial inequities and ensure that other groups – including persons with disabilities, migrant workers and children – can enjoy their rights on an equal footing with others.**

* CESR and International Women’s Rights Action Watch Asia Pacific, *Recovering Rights Topic Eight: Substantive Gender Equality*. For a more detailed explanation of substantive equality, see UN Women, *Progress of the World’s Women 2015*, Chapter 1.

** For example, *Convention on the Elimination of Racial Discrimination*, the *Convention on the Rights of Persons with Disabilities*, the *Convention on the Rights of the Child* and the *International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families* – address the measures needed to ensure substantive equality and non-discrimination, tailored to the specific experiences, needs and interests of groups.

Solidarity

Our current economic model assumes that unrestrained ‘competition’ is good. However, it pits groups against each other in a false zero-sum game. In contrast, the RBE is based on solidarity, meaning the expression of a spirit of unity and cooperation between:

- different groups of people, along, for example, racial, ethnic, class and gender lines, based on recognition of the intersectional nature of identities and inequalities
- business/capital and workers, including through collective bargaining, worker ownership and worker representation on boards

- countries, through recognising the different situations, starting points and responsibilities of different countries, and tackling the legacy of colonialism.²⁴

Social and solidarity economies, and the mutual aid societies that are becoming more widespread in the context of COVID-19, are important existing examples of economies that promote rather than undermine cooperation and the sense that we are all in it together. A rights-infused understanding of solidarity will serve as the foundation for a renewed social contract, as called for by the UN Secretary General and many others.²⁵ It will also encourage environmental stewardship, in terms of fostering collective ownership and responsibility for the commons and for planetary flourishing.

RIGHTS AS RELATIONAL

Many people think of human rights as individualistic. In fact, **human rights are fundamentally relational**. All people are interdependent. This makes solidarity a key human rights value. The right to decent work, or to freedom of association, or to substantive equality between men and women can rarely be guaranteed to or claimed by individuals acting alone. They require collective efforts to make them real.

The human rights framework is also explicit about the need for **solidarity between countries**. The Universal Declaration of Human Rights states that “Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized” (art. 28) and “Everyone has duties to the community” (art. 29). States’ human rights obligations also do not stop at their own borders. All governments have responsibilities to people in other countries who their conduct might affect, and to cooperate with other governments for the fulfilment of human rights internationally.*

* See CESR, *Recovering Rights Topic Two: International Cooperation*.

Accountability

Our current economic system is characterised by impunity. Those who wield power – especially wealthy political elites and multinational corporations – can violate rights, hoard resources and harm workers with very little risk of ever being held to account. Corruption among political elites is rampant in many countries, with money that should be spent on healthcare or education being siphoned off into tax havens. The litany of human rights and environmental disasters involving business actors gets ever longer: from Bhopal to the 2014 toxic spill at Buena Vista del Cobre in Mexico, the 2019 Brumadinho Dam collapse in Brazil and the recent devastating explosion at Beirut’s port. Under neoliberalism, such disasters are seen as an unfortunate side effect of ‘doing business’; corporates have only ‘limited liability’ in law to answer for damages, while corporations and politicians push for even fewer regulations on corporate behaviour. Some investment treaties even allow corporations to sue governments that enact public health or environmental regulations which could threaten their bottom line. The vast power imbalances inherent in the system make a mockery of accountability.

The RBE would seek to proactively rebalance power relations and deepen democracy, ending corporate capture of the state and impunity for economic and corporate crimes. It would be an economy that was responsive to people’s actual needs, rather than left to the whims of the market or ever-increasing financialisation.

HUMAN RIGHTS AS AN ECOSYSTEM OF ACCOUNTABILITY

Accountability is the cornerstone of the human rights system. Human rights standards:

- set out the respective **responsibilities** of different actors in an economy (especially the government, public officials and corporations)
- require that those with authority are **answerable** to the demands of workers, poorer and marginalised groups, and those they are elected to represent
- provide means to **enforce** responsibilities and seek redress when rights are violated.*

Accountability is understood to go hand in hand with guarantees of participation in decision and policy-making, especially for disadvantaged communities and those who will be directly impacted by a decision. Transparency and free access to information are integral parts of enabling demands for accountability; as are the full range of civil and political rights, including freedom of assembly and association. States have particular obligations when development projects or proposed business activities may affect the livelihoods, resources, lands and territories of indigenous peoples. In these cases, they are required to go beyond mere consultation, to obtain **'free, prior and informed consent'**.**

Governments also have a **responsibility to regulate business actors**, ensuring that people are protected from any damage they might do. They must prevent, investigate and punish human rights abuses committed by corporations. Businesses themselves also have responsibilities, as set out in the United Nations' Guiding Principles on Business and Human Rights. These state that companies must respect human rights by taking adequate measures to prevent, mitigate and remedy the negative impacts that their operations have on people's rights. To date, implementation of the Guiding Principles has been slow. Currently, an important process is underway to agree on a legally binding international instrument for transnational corporations and other business enterprises, to ensure that companies are fully accountable for human rights violations.

* This is adapted from OHCHR & CESR, *Who Will be Accountable? Human Rights and the Post-2015 Development Agenda*, 2013

** See ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples

Justice

The economic system we have now is fundamentally unjust. The pattern of increasingly concentrated wealth and power among the top 0.1%, while wages and protections for the working and middle class (and particularly those in the informal sector) mostly stagnate, is a feature – not a bug – of the neoliberal system that has dominated for the last 40 years.

The economy reproduces discrimination and structural inequalities, with income, wealth and opportunity gaps manifesting along lines of race, class and gender. The devastating impacts of climate change are increasingly felt in the Global South and accumulating among the poorest communities, especially communities of colour. Colonialism entrenched patterns of environmental and labour exploitation that widened economic disparities between countries and persist to this day.

The COVID-19 pandemic has exposed this even more clearly. Workers who have proven to be truly essential – such as nurses, sanitation workers, agricultural workers and childcare providers – are poorly paid and endure difficult, often dangerous working conditions. Millions lost their jobs, with the losses distributed

very unequally along gender, race, ethnic and class lines – and by employment status.²⁶ The vast majority of workers in the Global South are in the informal sector, with little or no social security. Meanwhile, in the first few months of the pandemic, American billionaires vastly increased their already huge fortunes.²⁷

A commitment to ensuring economic, social and environmental justice must be at the heart of the RBE. This means ensuring that economic activity does not deplete the Earth's resources and proactively pursuing distributive justice – the idea that rewards and benefits must be shared in a socially just way. **This will require a shift not only in tax and spending policies, but also in the types of work and production that we value and reward, based on the social and environmental good they produce.** It also means redressing ongoing legacies of historical disadvantages based on racism, sexism and other forms of discrimination.

THE MANY DIMENSIONS OF JUSTICE IN HUMAN RIGHTS LAW

Justice is a multidimensional concept. **Distributive justice** is concerned with giving all members of society a 'fair share' of its benefits and costs. **Procedural justice** is concerned with making and implementing decisions according to unbiased processes. **Restorative justice** is concerned with healing victims' wounds and repairing harm done. All of these dimensions are reflected in human rights law. Environmental justice is another increasingly urgent dimension/type of justice, which is also steadily being integrated into the human rights framework.*

The human rights framework, viewed holistically, is profoundly redistributive. As outlined below, human rights law set out standards for resource distribution. Meaningfully upholding socioeconomic rights demands that governments play a proactive role in the economy. This includes regulating the conduct of businesses and other private actors, and directing public investment towards essential infrastructure, goods and services. Human rights law also sets out a range of procedural principles, which guarantee that decisions about resource distribution are taken in a transparent, participatory and accountable manner.

Significantly, human rights law provides that everyone whose rights are violated is entitled to make an enforceable claim against those in authority and obtain a **remedy**. This may take the form of restitution, compensation and guarantees of non-repetition. The ultimate objective is not merely to sanction those responsible for violations. **Effective remedies promote systemic progress that creates conditions in which rights can be more fully enjoyed.** For example, the 2019 decision of the Supreme Court of the Netherlands in the *Urgenda* case found that the Dutch government must urgently and significantly reduce carbon emissions, to comply with its human rights obligations. The court determined that this dramatic action to reduce emissions was the most appropriate and effective remedy for the harm (and imminent harm) caused by dangerous climate change.** Importantly, there is no time limit for redressing the historical wrongs of enslavement and colonialism, which largely remain unaccounted for today.

* For example, the Inter-American Convention on Human Rights explicitly protects environmental rights and the Inter-American Court of Human Rights recently decided its first environmental rights case, *Indigenous Communities of the Lhaka Honhat Association (Our Land) v Argentina*. The Inter-American Commission also has a Special Rapporteur on economic, social and environmental rights; and the Human Rights Council has established a Special Rapporteur on human rights and the environment.

Section 2: How can these values be embedded in our economies?

To be manifested in an economic system, values must be operationalised through policies. This section gives a brief overview of how a meaningful commitment to these values, through a rights-based approach, would transform particular policy areas most relevant to the economy. The aim of this section is not to be prescriptive or to present a 'one size fits all' model; instead, it is designed to demonstrate how we could build the road towards our end vision of the RBE and illustrate some concrete implications for different policy areas.

Social protection in the RBE

In the RBE, social protection is a fundamental tool to ensure a dignified life for all, even when faced with unemployment, poverty, sickness, disability or old age. As well as being a right in itself, social protection supports people in enjoying many of their other rights – for example, the right to food, housing and decent work.

In the RBE, social protection systems are comprehensive (linked to a range of economic, social and civil rights), evidence based and easily accessible to all; address different needs and vulnerabilities at different stages of people's lives; and, critically, are well resourced. A comprehensive, universal social protection system would cover all workers (including those in the informal sector); recognise socially valuable work that the labour market does not remunerate (eg, care work in the household), and expand individual choices to do the work that each person deems most valuable and meaningful to them. **It would ensure that no one would ever need fear destitution because they chose to pursue further education, took a risk to start a business, fell ill or took time out of the labour force to care for children or elderly relatives.** It would also facilitate the shift to greener, less carbon-intensive economies by assuring income for those who might otherwise lose out in the transition (eg, those who work in the fossil fuel industry). The equalising effect of comprehensive, rights-based social protection is paramount: it would close the gap between higher and lower wage earners; allow disadvantaged people to start building up savings and wealth; and allow for more equitable access to housing, education and other goods.

This is in stark contrast to the vision of social protection that has been promoted by the stewards of the neoliberal economy, including governments and international institutions such as the World Bank and the International Monetary Fund (IMF). In this view, social protection is a tool to provide minor palliative compensation, elevating people out of extreme poverty into non-extreme poverty by distributing the crumbs left over after the 'winners' of the free market have already eaten their fill. This paradigm prioritises **targeted schemes** that are meant to reach the poorest of the poor – based on means testing and often buttressed by conditions to ensure recipients 'earn' their benefits – but in fact do not necessarily reach those who most need them;²⁸ and also **perpetuate shame, stigma and the idea of the 'deserving' and 'undeserving' poor.**²⁹

Meanwhile, the majority of people living in poverty, particularly in the Global South, work in the informal sector and therefore are excluded from many social protection programmes.

As well as being a right in itself, social protection supports people in enjoying many of their other rights – for example to food, housing and decent work.

Promising policies: universal basic income

A universal basic income (UBI) is a transfer provided to everyone in a country regularly, unconditionally and in cash. No country has put in place a truly UBI scheme nationwide, although local programmes or pilots have been run in countries such as Kenya, Iceland and Finland. In general, universal social protection programmes are more favourable from a human rights perspective, because they eliminate the unjust exclusions and stigma that come with targeting. However, a UBI is not *necessarily* rights aligned. In the RBE, a UBI scheme would have to be implemented as part of a suite of redistributive measures – including a comprehensive social protection system and quality public services (including healthcare, education and social housing) that are accessible to all. Taken together with these other programmes, it would have to provide a level of income (in cash and in kind) sufficient for a dignified life and compatible with the human right to an adequate standard of living. If – and only if – implemented in such a manner, a UBI could be a transformative plank of the RBE, reducing poverty, improving economic equality and freeing people from reliance on exploitative jobs.

The idea of basic income has gained new traction due to the COVID-19 pandemic.³⁰ Many countries have put in place some limited form of basic income scheme on a temporary basis. Both the Economic Commission for Latin America and the Caribbean (ECLAC) and the UNDP have called for emergency basic income schemes to be implemented on a mass scale for people living in poverty. These are envisaged as temporary, although ECLAC has explicitly argued that they could be made permanent and form the basis for more expansive UBI programmes. Civil society groups and activists in many countries, including South Africa,³¹ are calling for emergency income schemes to be extended into UBI as part of a universal, comprehensive social protection system.

Labour and wage policy in the RBE

In the RBE, the primary purpose of labour and wage policy is to ensure that work is empowering, safe and dignified; that wages provide enough for the full range of basic needs; and that power differentials between employers and employees do not become too wide. The rights to collective bargaining, freedom of assembly and association are non-negotiable foundations for this vision, along with all other workers' rights enshrined in International Labour Organization (ILO) and human rights treaties, including rights to social protection. A central concern of this area of policy in the RBE is also to ensure that workers can balance paid work with family life in a fulfilling and harmonious way. **In the RBE, men and women are enabled to take up decent, well-paid jobs compatible with their household's care needs.** The link to comprehensive social protection is crucial here, to provide all people with a real choice in what they do for a living and avoid exploitative work environments.

Equal pay for work of equal value has been a cornerstone of the human and labour rights regimes since their inception, but most countries still have a significant gender pay gap. This becomes even bigger when you take race and ethnicity into account and compare the wages of, for example, a black woman with a white man – a disparity that holds true in almost every country. This raises

fundamental questions about the market's ability to assign value with anything like neutrality.

In neoliberal labour and wage policy, there has been an overwhelming preoccupation with 'flexibilisation' – a package of measures designed to lower costs and supposedly enhance how 'competitive' corporations are by cutting back regulations and diluting their responsibilities to employees. These types of policy prescriptions are still part of the World Bank's flagship *Doing Business* report, the IMF's policy advice and the Organisation for Economic Co-operation and Development's (OECD) economic advice. This disregards any contrary evidence of the benefits of promoting a committed and skilled workforce, with a balanced family life arising from a long-term commitment of employers to their workers. Neoliberal policies also tend to dramatically reduce the economic and social security of workers.

Most countries still have a significant gender pay gap. This becomes even bigger when you take race and ethnicity into account.

Promising policies: minimum living wages

Minimum wages set at sufficient levels improve financial and social stability at the household and society level; free up important time for leisure or family responsibilities (as workers don't have to work so many hours to earn enough to live on); and help to close the gap between rich and poor. They also help to reduce other disparities, as in most contexts low-wage workers are disproportionately women and people of colour.³² Wage inequality is the largest determinant of overall income inequality in most countries.³³

Around the world, workers, rights activists and trade unions are fighting for minimum wages high enough to guarantee a dignified life. Although there is a long way to go, some remarkable successes have been achieved. Minimum wages have been introduced or increases to existing minimum wages enacted across all continents in recent years. For example, in South Africa, the National Minimum Wage Act was signed into law in 2018 after years of advocacy and pressure from unions and researchers.³⁴ In 2019, the government in North Macedonia agreed to increase the minimum wage by 60%.³⁵ In 2016, El Salvador's Minimum Wage Council approved the largest minimum wage increase in the country's history, with the lowest-paid workers getting a raise of more 100%.³⁶ In 2019, the number of US states with a \$15 minimum wage doubled.³⁷ However, according to the International Trade Union Conference Global Poll, 83% of people in 13 G20 countries believe that their minimum wage is not enough to live on. Non-compliance with minimum wages is also rampant.³⁸ The ability for workers to organise, collectively bargain and strike is thus a key component of ensuring both minimum **living wages** and **accountability** for providing and enforcing them. In order to most effectively tackle inequalities, minimum wages could also be combined with the regulation of wage ratios and ceilings on executive pay.³⁹

Public services in the RBE

Public services are the essential pieces of infrastructure that provide a foundation for a dignified and enriching life. They exist to provide everyone – regardless of income – with basic necessities and opportunities, including clean water, quality education, adequate healthcare, public transport and decent housing. They must also respond to the specific needs of particular groups, such as shelters

for survivors of domestic abuse or services that enhance access for people with disabilities. In the RBE, the crucial role of public services in providing and supporting care throughout the lifecycle is made more intentional and explicit, based on the rights of both carers and those who need care (ie, all of us, at some stage in our lives). They enable women's disproportionate burden of unpaid care work to be reduced and redistributed. **More than just meeting people's needs, rights-based public services have tackling inequality (promoting greater equality of opportunity and outcome) as an explicit goal.** Research already shows that public services help to reduce the gap between rich and poor.⁴⁰ The poorest in society receive the greatest benefit of public services that are free at the point of use by reducing out-of-pocket expenditures. But in order to ensure that they can do so as effectively as possible, they must be democratically governed and stringently protected from commodification and privatisation, in line with governments' human rights obligations.⁴¹

The rights-based economy would reclaim the 'public' in public services, and make them explicitly a tool for fulfilling rights, ensuring dignified conditions of living and supporting human flourishing.

The transformative impact of public services

- One extra year of education is associated with a reduction of the Gini coefficient (a common measure of inequality) by 1.4 percentage points.⁴²
- 100 million people would be prevented from falling into poverty each year if universal healthcare were publicly funded and free of charge to patients.⁴³
- An estimated 443 million school days are lost each year because of illnesses related to unsafe, unclean water.⁴⁴
- It is estimated that women globally spend 200 million hours every day collecting water.⁴⁵
- The 'virtual income' provided by public services reduces income inequality in OECD countries by an average of 20%.⁴⁶

Public services represent goods and services which many societies have already recognised to be too valuable to be left entirely to the market. Recently, however, this consensus has begun to be eroded or in many cases purposefully dismantled by vested interests, giving public service provision contracts to for-profit enterprises and in some cases privatising entire primary education systems (eg, in Liberia).⁴⁷ On one side of the coin, faith in public services started to decline because of decades of underinvestment (sometimes through externally imposed austerity), leading to declining quality. On the other, privatisation, commodification and financialisation began to creep in, as private actors sensed a new way to make profits, perceiving public services and infrastructure as a new asset class. This can be seen, for example, in the rise of fee-paying schools targeted at poorer households in low and middle-income countries,⁴⁸ and the increasing prevalence of user and out-of-pocket fees for basic healthcare.⁴⁹ **Public services have thus become less 'public', less accessible and less accountable,** with the most disadvantaged suffering most from these shifts.⁵⁰ COVID-19 has laid bare the lethal impact of these trends, with depleted public services in countries rich and poor struggling to respond. **The RBE would reclaim the 'public' in public services** and make them a tool for fulfilling rights, ensuring dignified conditions of living and supporting human flourishing.

IMF AND WORLD BANK PROMOTION OF WATER PRIVATISATION

In the 1990s, there was a wave of public service privatisation as a result of the Global South debt crisis.

In 2000, Malian national water company Eaux de Mali (EDM) was privatised through a 20-year public-private management contract, following **IMF** and **World Bank** pressure and loan conditionality, as in a number of African countries.

Since November 2005, Mali's Committee of Water Defence has been active in promoting and encouraging the mobilisation and cooperation of social struggles in Mali and Africa, highlighting high water bills in particular.

The majority of the Malian population could not afford the increase in water bills that followed the privatisation of EDM. The company, **SAUR**, sought compensation from the government of Mali due to the high rate of unpaid water bills. Negotiations began with the goal of reducing water fees and resulted in **SAUR** receiving €27 million in compensation from the government of Mali. After five years, the privatisation agreement failed and SAUR withdrew from **EDM SA**, accused of breaking the contract.*

* *Water Remunicipalisation Tracker, Case of Mali, www.remunicipalisation.org/#case_Mali*

Promising policies: putting public services back into public hands

'Remunicipalisation' refers to the return of privatised services to public service delivery. Research from the Transnational Institute (TNI) shows that there have been at least 1,400 examples of remunicipalisation of public services (or creation of new public services) worldwide in the last 20 years, involving more than 2,400 municipalities – from small towns to capital cities – in 58 countries.⁵¹

Remunicipalisation is occurring across water, energy, healthcare, transport, waste and other public services, spurred by evidence of the risks and failures of privatised services or public-private partnerships (PPPs).⁵²

For example, in 2016 the City Council of Valladolid, Spain decided to remunicipalise the water supply in the metropolitan area. The private company had raised the consumer price by 37% over the previous 20 years, making the supply of drinking water almost unaffordable for poorer households, while the company had consistently reaped high profits. After the second year in operation, the newly established public water company had already saved the city €13.3 million and was reinvesting profits in maintaining and improving the sanitation and distribution grids.⁵³

Tax policy in the RBE

Rights require resources. In the RBE, tax policy plays a central role in reducing inequalities and providing for everyone's needs. Tax policy has four main functions: revenue-raising, redistribution, repricing and representation.⁵⁴ These are critical from a human rights perspective. In the RBE, tax policies are well designed and strongly enforced to ensure they raise sufficient **revenue** to fund the goods and services that people need to enjoy their rights to health, education and housing, and other social and economic rights.

MAXIMISING AVAILABLE RESOURCES: HUMAN RIGHTS IN FISCAL POLICY

Most of the world's governments have signed up to binding international treaties that commit them to dedicating their 'maximum available resources' to fulfilling people's social and economic rights swiftly and progressively.⁵⁶ This obligation has concrete implications for fiscal policy – that is, how governments raise, allocate and spend the resources that are actually or potentially available to them. To use the classic pie metaphor: how big is it? How is it being sliced? Who is eating it?

It directs governments to raise money in a way that generates **sufficient** revenue to invest in the realisation of people's rights. The way resources are mobilised and spent should also be **equitable** and **accountable**.

Taxation is one of the main policy instruments that governments use to generate resources. To be equitable, taxation must be progressive, ensuring that poorer people do not have a heavier tax burden than richer people, and that the tax system does not favour men over women.⁵⁷

When allocating resources, governments must give priority to the infrastructure, goods and services that people need to enjoy their rights to health, education, housing and other rights in practice, including in the care economy. Resources should be allocated and expended in an equitable way, prioritising disadvantaged groups and tackling systemic inequalities based on gender, race, disability or other grounds.⁵⁸

Tax and budget policymaking processes through which resourcing decisions are made must be transparent, participatory and accountable.

The 'maximum available resources' norm also applies internationally. All countries have an obligation to cooperate in meeting their economic and social rights obligations, and those in a position to do so have a duty to provide economic and technical assistance to less well-resourced countries for this purpose.

At minimum, wealthier countries must refrain from constraining the fiscal space of poorer ones – for example, through loan conditions; or by enabling corporate tax avoidance, failing to provide agreed minimum levels of foreign aid or refusing to restructure or forgive foreign debts. When they do so, and people are deprived of their socioeconomic rights as a result, these countries breach their extraterritorial human rights obligations.⁵⁹

In recent years, a growing convergence of human rights, tax justice and development advocates has sought to **bring human rights to bear in fiscal policy**, including in the context of fiscal responses to the COVID-19 pandemic.⁶⁰

They are also a key tool of **redistribution**. In the RBE, taxes are explicitly focused on pursuing equity – tackling the concentration of wealth at the top and closing the gap between rich and poor; but also between women and men, and between different racial and ethnic groups. In order to do so, taxes must be progressive – the richer you are, the more taxes you should pay as a proportion of your income or wealth. This means not only having much higher rates of income tax for millionaires and billionaires, but also targeting the ways they accumulate most of their income and wealth – which is not through wages, but rather through asset accumulation, inheritance, corporate profits and investments.⁵⁵

The **repricing** function is about using tax policy to limit public 'bads' (eg, the health and social costs of smoking) and encourage public 'goods'. Although these types of taxes must be carefully designed to ensure that they do not

fall most heavily on the poor, the repricing function is of great importance in the RBE – especially in encouraging the transition to greener economies. Progressive carbon taxes⁶¹ would ensure that the true cost of carbon emissions for our planet, our health and future generations are more accurately reflected in the price of carbon-intensive products. The **representation** function simply reflects the fact that taxes are at the foundation of the social contract, and are by far the most accountable source of public finance.⁶²

In the neoliberal economy, taxes are seen as a necessary evil to be minimised, rather than as a tool to promote social justice. Over the last few decades, more progressive direct taxes have been dramatically scaled back, particularly those on corporations and wealthy individuals. For example, the average corporate tax rate fell from 40% to 24% between 1980 and 2019.⁶³ This is based on the idea (which has little evidence to back it up) that taxes discourage investment and job creation.⁶⁴ Meanwhile, governments have increasingly fallen back on indirect taxes such as sales tax and value added tax to raise the money they need, often as a result of advice from the IMF. These taxes tend to be regressive – they fall most heavily on those with less, as they represent a much higher proportion of their income. Tax incentives have been promoted with a view to promoting inward investment, often unnecessarily reducing revenue mobilisation.⁶⁵ Essentially, this trend represents governments increasingly eroding the redistributive function of taxation – that is, the power of fiscal policy to reduce inequality.

Promising policies: taxes on wealth

Wealth taxes have gathered renewed momentum in the context of the COVID-19 pandemic. In Brazil, for example, a broad cross-section of civil society has launched a campaign called ‘Tax Wealth to Save Lives’,⁶⁶ calling for the revenue to be used to support a UBI and investment in the health system.⁶⁷

The wealth taxes being discussed generally envisage taxing people on their net worth, assets and income derived from wealth or equity. They would apply to all individuals over a certain threshold (which would vary by country), and would in some forms be applied progressively (so someone with \$1 billion in assets would pay a higher rate than someone with \$1 million). Wealth taxes would be an important tool in the shift to the RBE, because the neoliberal policies followed over the last decades have resulted in a situation where wealth is far more unequally shared than income.

In South Africa, for example, the wealthiest 1% of the population owns half of all assets in the country, while the top decile holds 90% to 95% of the country's wealth.⁶⁸ It is estimated that a wealth tax on the country's wealthiest 1% could raise ZAR143billion, equivalent to 29% of the cost of the country's initial COVID-19 relief package.⁶⁹ Wealth inequalities also reflect and exacerbate other types of inequalities. For example, in the United States, the median wealth for single black women is \$200; whereas for white women it is \$15,640 and for white men it is \$28,900.⁷⁰

So a government cannot very well say that it is complying with its obligation to use the ‘maximum available resources’ to realise rights (see box on p19) if it is leaving the vast fortunes of the 0.1% or 1% untaxed. In order to succeed,

wealth taxes would need to be combined with a concerted crackdown on tax evasion and avoidance, tax code loopholes and tax havens. Major reforms at the international level would also be crucial, to create an enabling environment for domestic resource mobilisation.⁷¹

Corporate regulation and governance in the RBE

Corporations are major economic actors and have immense power in our economies: as employers, as producers, as providers of goods and services. They are also increasingly powerful political actors, with corporate capture of government a very real phenomenon in countries of all different income levels. Under the neoliberal model, the tendency has been to cut down on regulations which limit or set rules around corporate behaviour, and rely increasingly on corporations to govern themselves. However, the list of disasters and large-scale human rights violations caused by corporate behaviour grows ever longer. As outrage grew about such incidents, multi-stakeholder initiatives (voluntary governance efforts bringing together corporations, civil society, academics and in some cases government and rights holders) were set up to 'solve' the problem and prevent future abuses. Yet a recent in-depth report found that multi-stakeholder initiatives are not fit for purpose for protecting human rights. **This is largely because they have not 'fundamentally restricted corporate power or addressed the power imbalances that drive abuse'.**⁷²

In the RBE, reshaping these power imbalances is a priority. Robust regulations are put in place to rebalance the primacy of people and planet over profits. Through legislation, regulation, taxes and other measures, corporations are required to contribute towards society, rather than just extract from it. This is in line with governments' obligations to ensure that rights are robustly protected against violations by third parties.⁷³ Through antitrust regulations and

REIMAGINING CORPORATE MODELS

Worker buy-outs and employee share ownership are gaining in popularity, and have been promoted by some government bodies such as the Brazilian National Secretariat for the Social and Solidarity Economy, which financed worker and employee buy-outs when shareholder-owned limited companies went bankrupt, including buy-outs of farms to tackle the issue of landless farm workers.

In Argentina, following the 2001 debt crisis, workers in some shuttered factories continued working and claimed their right to own the enterprise via squatters' rights.

In Ghana, the largest cocoa buying company is a cooperative, called Kuapa Kokoo, owned by 100,000 farmer members, who gain a dividend from the profits of selling their cocoa onwards. It also owns shares in a UK-based confectionery manufacturing company, so that farmers benefit from the value-added in supply chains. Such schemes reduce the power imbalances between corporate owners and workers, which often undermine rights to decent work and wages.

Co-op banks and credit unions have been established to finance the cooperative sector; and in many countries in the Global South, cooperative forms of community banking in village savings and credit organisations or credit unions have a substantial share. In Canada, the Desjardins cooperative movement serves 7 million customers in Quebec and Ontario.

other measures, corporations are also prevented from creating monopolies or getting so big that their power and wealth dwarf those of many governments. Furthermore, corporations face real consequences for not respecting human rights. Corporate regulation in the RBE builds on foundations such as the UN Guiding Principles on Business and Human Rights, but moves towards a mandatory model in which corporations are held directly accountable for human rights violations (as envisaged in the draft international legally binding treaty to regulate the activities of transnational corporations and other business enterprises).⁷⁴ Stringent measures are taken to prevent undue corporate influence over political decisions – for example, through restrictions on campaign donations; absolute transparency over business ownership, shareholders and government procurement contracts; and limits on lobbying. In order to truly shift power, significant changes to the corporate form itself will also be necessary, mandated and incentivised through legislation and financial architecture (see Section 3).

Promising policies: mandatory human rights and environmental due diligence

The state's obligation to protect human rights entails 'requiring business entities to exercise human rights due diligence in order to identify, prevent and mitigate the risks' of human rights violations, and to 'account for the negative impacts caused or contributed to by their decisions and operations and those of entities they control'.⁷⁵ This duty must be backed up in legal frameworks, through compliance and sanction mechanisms. Human rights defenders have fought for years for the imposition of mandatory due diligence requirements on companies. Currently, some jurisdictions are putting such rules into effect: the French *Loi de Vigilance* of 2017 and the European Commission's plan to introduce a mandatory human rights and environmental due diligence law in 2021 are positive examples.⁷⁶ In France, cases have already been brought against companies under the *Loi de Vigilance* (eg, regarding Total's operations in Uganda);⁷⁷ but a recent study found that 27% of companies have not published a due diligence plan as required by the law.⁷⁸

In order to be meaningful, any obligation of due diligence must extend throughout a company's supply chain and be gender sensitive (eg, examining how the proposed project would impact differently on women, including by increasing their economic marginalisation or unpaid care work).⁷⁹ It must also involve meaningful consultation with stakeholders, including especially disadvantaged groups. Beyond consultation, in the case of indigenous, Afro-descendant and riverside groups in projects involving natural resource extraction or land use in their territories, corporations must obtain 'free, prior and informed consent'.⁸⁰ Some mandatory due diligence laws are drawn quite narrowly to cover only a small range of issues – the UK Modern Slavery Act, for example. In order to reflect the indivisibility of rights, the duty of due diligence should instead reflect a broader range of risks to rights. Of course, mandatory due diligence is not a panacea on its own. In the RBE, a more expansive and sweeping transformation of the corporate form and purpose will be necessary. However, one crucial plank of this new paradigm should be the requirement for businesses to assess, mitigate and account for their human rights and environmental impacts.

Global economic governance in the RBE

In the RBE, the purpose of global economic governance is to realise the UDHR's vision of a social and international order in which everyone can fully realise their rights. Such an order must be premised on a permanent reduction of economic inequality and greater convergence in rights enjoyment between and within countries. Additionally, human rights treaties commit states to guaranteeing the rights of people in their own country as well as people abroad affected by their conduct. Government obligations that cross borders are known as extraterritorial obligations (ETOs).⁸¹ These ETOs require the removal of economic barriers to socioeconomic rights realisation in low and middle-income countries; cooperation instead of competition to ensure that collective problems (eg, climate change, illicit financial flows and pandemics) are dealt with in an effective, coordinated and equitable manner; and the construction of a truly democratic global governance system which ensures that all countries can participate on an equal footing in the most important economic decisions at global level, while tackling the legacy of colonialism and neo-colonialism.

However, the functioning of the global economy today is far from being the order that the UDHR prescribes. Excluding China and India, inequalities between countries have increased.⁸² Lower-income countries face severe restrictions on their policy space in various areas critical to socioeconomic rights enjoyment.⁸³ Current systems of global economic governance operate under an outdated model that assigns decision-making prerogatives based on historical economic power.⁸⁴ For instance, major decisions about the direction of the global economy are made in spaces such as the G20. Ex-colonial, high-income powers that dominate the OECD have set the rules for international tax, even though those who are most affected by tax evasion and avoidance are low and middle-income countries.⁸⁵ The neoliberal system is also bolstered by a semi-private global justice system in which investors can sue states through investor-state dispute settlement mechanisms when governments exercise their regulatory power to protect rights.⁸⁶

Promising policies: debt cancellation and restructuring

COVID-19 has highlighted the need to renew multilateralism from the ground up. Anti-racist, feminist and climate justice struggles have spread beyond borders. The debt crisis that COVID-19 is exacerbating, along with the limitations of debt initiatives such as the G20 Debt Service Suspension Initiative, are leading to calls for a comprehensive, transparent, timely and enforceable mechanism to systematically restructure (or fairly resolve) heavy debt burdens which go back decades.⁸⁷ At the moment, 64 nations in the Global South spend more on debt payments than on public healthcare, while 44 countries spend more on servicing debts than on social protection.⁸⁸ If sweeping debt relief and cancellation are resisted, many countries are likely to enter into a protracted debt crisis, unless a mechanism for debt restructuring is put in place – as Global South countries demand. The European Debt and Development Network (Eurodad) and others in the global debt movement are calling for a comprehensive process of debt restructuring, including establishing an independent body to level the playing field between creditors and debtors; setting out transparent and participatory negotiation procedures;

In the rights-based economy, the purpose of global economic governance is to realise the Universal Declaration of Human Rights' vision of a social and international order in which everyone can fully realise their rights.

and considering how a country's debt burden affects its ability to realise rights.⁸⁹ The Asian Peoples' Movement on Debt and Development is also calling for the ecological debt of the Global South to be considered when discussing the debt burden, as the ecological debt is owed to the Global South by the countries in the Global North.

Section 3: What are the systemic shifts we need?

Dramatically reshaping all of the above policy areas is crucial to reprogramming our economies. Fundamentally questioning and redesigning their central purpose will take us much further than just tinkering around the edges. However, reforming discrete policy areas will not take us to the final goal of the RBE. A more holistic shift in systems and mindsets is necessary. Hence, this section will zoom out again to highlight the systemic overhauls that will be necessary to underpin and weave together these policy changes. These shifts need to fundamentally transform how and what we produce, distribute, consume and value within our economies.

From exploiting natural resources to respecting planetary boundaries...

The neoliberal economy's relationship with the planet has been premised on plunder and extraction. This relationship perhaps requires the biggest shift of all: nurturing a respect for planetary systems and boundaries – the environmental ceiling, beyond which lie unacceptable degradation and tipping points into an unliveable planet.⁹⁰ **We need to take a conscious leap from an economy obsessed with short-term gains to one with an in-built, long-term perspective on environmental sustainability for future generations.** Many existing philosophies and models can aid us in this transition, from the circular economy to degrowth and 'doughnut economics'.

The alternative models and worldviews of indigenous peoples are a particularly vital touchstone in this regard, particularly around land stewardship and living in deep connection with the Earth and symbiosis with nature. As the indigenous leader Célia Xakriabá says: 'What is going to cure the Earth is our capacity, our ability to reactivate our connection to the Earth, to reactivate our culture and to reactivate the power of our ancestors.'⁹¹ What is increasingly undeniable is that for all people, human rights and fair economies – now and in the future – fundamentally depend on a healthy environment. There are no jobs – not to mention security, freedom from hunger or clean water – on a dead planet.

From a fixation on economic growth to more holistic, ecologically sound, human-centred measures of success...

This shift in our relationship with the planet will be possible only if we dramatically rethink how we measure social and economic progress. As economist Mariana Mazzucato has pointed out, modern economies reward activities that *extract* value rather than *create* it. The many perverse incentives

At the moment, 64 nations in the Global South spend more on debt payments than on public healthcare, while 44 countries spend more on servicing debts than on social protection.

created by the myopic pursuit of GDP growth have been extensively demonstrated. **Cutting down a rainforest can increase GDP. Constructing a jail can increase GDP. A single mother taking on a third job just to make ends meet can increase GDP. A catastrophic storm that necessitates a rebuilding effort can increase GDP. But do any of these things have economic and social value? Do any of them increase wellbeing and justice?** Neoliberal economists have argued that high and consistent levels of GDP growth are strongly correlated with good social outcomes. But this is not necessarily the case: Costa Rica, for example, boasts a life expectancy and levels of wellbeing that are among the highest in the world (far outperforming the United States), but with a GDP per capita of only \$11,000 (one-fifth that of the United States) and a much smaller ecological footprint.⁹² GDP and other traditional economic indicators are increasingly divorced from the lives and opportunities of people, and from the climate crisis. For example, US GDP and the stock market have remained relatively strong during the COVID-19 outbreak, while people are falling ill and dying in unprecedented numbers and unemployment has reached a peak not seen for a century.⁹³ Similarly, India's main SENSEX index had recovered by September 2020 to pre-pandemic levels, despite estimates by India's top epidemiologist that half of the population will become infected with the virus, and despite the fact that only 25% of rural Indians have access to public health services.

One of the major problems with GDP as a measure is that it includes no cost accounting. It does not account for the many social or ecological consequences ('negative externalities') of the economic activity in question. For instance, many countries record GDP growth while they lose 'natural capital' (natural assets such as soil, air and water) – 140 countries experienced a decline in natural capital over the period 1992-2014.⁹⁴ There is a similar issue when it comes to corporate profit and loss balance sheets: the true human and environmental costs of a corporation's activities are not factored in. So the most profitable corporations are also often those which are most responsible for environmental or social destruction. For instance, it is estimated that 100 corporations are responsible for 71% of historic emissions.⁹⁵

There are many other possible measures of economic 'progress' or 'success' which more closely relate to people's experience and understandings of the world.⁹⁶ The movement towards developing metrics of wellbeing – spurred on by the work of Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi⁹⁷ – has gained enough credibility and momentum that the UN General Assembly in July 2011 adopted Resolution 65/309, *Happiness: Towards a Holistic Definition of Development*, leading to the annual World Happiness Report. Several governments have now embraced the idea of a 'wellbeing economy'.⁹⁸ In 2019, New Zealand adopted a 'wellbeing budget', underpinned by 61 indicators covering issues from indigenous rights to loneliness and inequality.⁹⁹ **The challenge is not technical, but rather political: breaking the addiction to GDP, which for decades has been entrenched as governments' single most important indicator of success. However, more and more people from all sides of the ideological spectrum¹⁰⁰ are coalescing around the idea that we need a new measure of progress that values care, human wellbeing, human rights¹⁰¹ and planetary flourishing.**

From taking care for granted to recognising its place at the centre of our societies...

Valuing care – literally and metaphorically – must be a central tenet of any new measures of success and progress. The neoliberal economy has devalued, exploited and taken for granted care work, which is overwhelmingly performed by women. But feminist economists and the feminist movement have been building a path towards more gender just economies for decades. We need a massive shift in mindset around care:

- from accounting for care services as a cost to understanding them as an investment in a healthy flourishing society
- from valorising and prioritising physical infrastructure (in the male-coded domain of construction) to equally valuing social infrastructure which provides care, just as important as the roads workers commute on
- from dismissing care as a matter for households to deal with in the private sphere to understanding it as a collective social responsibility and a public good
- from seeing paid care work as unskilled labour to recognising it as a valuable skill and compensating it as such.

If these shifts were embraced, many policy options would be cast in a new light. For example, free, accessible, high-quality universal childcare would be not an expensive fantasy (indeed, some European countries already have such a policy),¹⁰² but an investment in a healthy, happy, more gender-equitable society, and in the leaders, workers and citizens of the future – as well as a source of decent, low-carbon jobs.¹⁰³ Feminist economists have long stated that we need to recognise, reduce and redistribute unpaid care.¹⁰⁴ Concretely, this means improving the quality of care that people can enjoy; improving the pay and conditions of those who provide it; proactively supporting it through public services and social protection; ensuring that individual burdens of care are not too intense (eg, so that the people – mostly women – who provide it are not deprived of their rights to health or education);¹⁰⁵ and ensuring that responsibility for care work is more evenly distributed between men and women – and between private households and the government. The rights of caregivers (either paid or unpaid) and the rights of those who receive care are equally important – both must be respected, protected and fulfilled. Some recognition has been implemented in the form of universal child benefits.¹⁰⁶

The RBE would integrate feminist values at the core of economic models and policies – not least by treating care not as an externality which households must deal with on the sidelines, away from their ‘real’ economic activity, but as the fundamental lynchpin of our societies and economies.

From valorising the private sector to reclaiming the power of the public...

The grand neoliberal experiment, which allows the market and the private sector to direct and dominate the economy, has manifestly failed to produce outcomes which are socially or environmentally just. Many of the experiment’s central strategies, such as privatisation and PPPs, have been failures even on

their own terms (eg, cost savings or efficiencies). The expansion of universal health and social protection systems can be seen almost as a litmus test of how democratically representative and participatory government policies are, as these policies are tremendously popular and receive wide democratic support, but are often stymied due to elite capture of democratic institutions. As FEMNET and the UK Gender and Development Network (GADN) put it: 'the pursuit of social goals cannot be left to the so-called free market – rather, it requires an active role for the state to re-balance markets.'¹⁰⁷

Meanwhile, the climate crisis has shown that we need coordinated government action on an unprecedented scale – not least in redirecting production towards more socially and environmentally beneficial ends.

Of course, it is important neither to romanticise the state nor to overlook the ways that governments throughout history have failed or actively violated the rights of their citizens. Rather, we need to fight to build more effective, responsive, accountable and human rights-driven governmental institutions, at both national and local levels. This shift is absolutely indispensable from a human rights perspective. **Governments are the ultimate duty-bearer when it comes to human rights** and are legitimate authorities in a way that private actors simply aren't. The negative consequences of attempting to offload human rights responsibilities onto private actors have been extensively documented.¹⁰⁸ Moreover, human rights law is far from silent on the role that the government should play in the economy (see box on p19).

From corporate monopolies to worker and community power...

Corporate monopolies and concentrations have reached extreme levels, fundamentally conditioning power relationships within the economy.¹⁰⁹ Many sectors of the global economy are dominated by a small number of transnational corporations, giving them vast power over these markets.¹¹⁰ The main beneficiaries of these oligopolistic market structures are the companies' largest shareholders and main owners, driving huge increases in economic inequality. These monopolies are bad for workers, whose bargaining power, wages and job mobility are being steadily reduced.¹¹¹

We need to break up corporate power and fundamentally reimagine the corporate form. The fact that in many countries corporate boards are legally prohibited from prioritising community or environmental interests above those of shareholders should be sufficient evidence of the incompatibility of the current predominant corporate form with a rights-based or 'green' economy. This is changing, however: for example, in the United States, B Corporations – which include social and environmental objectives in their corporate statutes – are a growing model. Moreover, in most cases shareholders are very far removed from the communities which are impacted by the company's operations, or from the workers who toil in its factories, fields or mines. Some shareholders are further bound by what is called a 'fiduciary duty' to always demand profit maximisation; and this too is limiting their acceptance of social, economic or environmental issues as part of corporate objectives. This disconnect has enabled a sharp rise in economic inequality, environmental devastation and the destruction of communities and their livelihoods.

Corporate monopolies and concentrations have reached extreme levels, fundamentally conditioning power relationships within the economy.

As MSI Integrity says: 'As long as corporations are primarily beholden to investors, not only will companies fail to adequately center vulnerable workers or communities in their business decisions, but they will also resist human rights initiatives that threaten their profits or power, and continue to run the unacceptable risk of making decisions that harm people and the planet.'¹¹² The corporate model must be democratised and worker power boosted through new structures of decision-making and ownership, and new visions of how businesses create value - and for whom. There is already a groundswell of promising initiatives in this respect,¹¹³ ranging from employee ownership schemes to worker-driven social responsibility and social and solidarity economies (see box on p21).¹¹⁴

In the World Bank and the IMF, middle and low-income countries - which constitute around 85% of the world's population - have only about 40% of the vote.

From elite capture to renewing economic democracy

All of this depends on a renewed, vibrant participatory democracy. This may seem like a distant prospect, given the recent spread of authoritarian ethno-nationalist movements around the world. But counter-power is growing too, as shown by the mass protests at the end of 2019 against economic injustices¹¹⁵ and the global mobilisations against systemic racism in 2020.

It entails a more expansive and holistic vision of democracy, centred not just on the ballot box, but on challenging entrenched power and on real, meaningful participation in decision-making by reimagining both direct and representative democracy, so that especially those most marginalised and disadvantaged by our current economic systems can participate more fully. Confronting white supremacy and patriarchy is therefore a central part of this struggle. Effective scrutiny of decision-making is also an imperative, which requires improving channels to hold decision-makers (especially in government) accountable to those they serve. Parliaments - including parliamentary accounts and budget committees - play a key role, as long as multiple political parties are represented and have a meaningful voice. Ombudspersons and other non-judicial avenues are important for bringing complaints to state bodies that do not meet adequate standards. Institutions set up to monitor human rights enjoyment are an important part of this accountability ecosystem - including independent national justice systems and national human rights institutions, and regional and international human rights bodies such as the United Nations treaty bodies (set up to monitor compliance with the various international human rights treaties).¹¹⁶

Just as essential is decolonising decision-making at the international level. Global governance cannot remain a club for the rich. Rather, the playing field needs to be levelled on the basis of equality, international cooperation and solidarity, taking into account the legacies of colonialism and different levels of resources and responsibilities for causing and tackling climate change (partly captured in environmental agreements by the concept of 'common but differentiated responsibilities').¹¹⁷ It also requires a loosening of the power that international financial institutions have to determine the macro-economic policy choices that governments have.¹¹⁸ Those institutions themselves are profoundly undemocratic in their own decision-making structures. In the World Bank and the IMF, middle and low-income countries - which constitute around 85% of the world's population - have only about 40% of the vote.

Conclusion

The post-COVID-19 environment affords an unmissable opportunity to advance a vision of the RBE and catalyse a broader movement demanding the necessary transformations. This will require a broad spectrum of actions – from mobilisation, organisation and direct action to research and advocacy, legislation, popular education and the promotion of cultural change. We all have a role to play. To achieve these changes, we must start by dismantling the neoliberal dogmas and narratives that are so foundational to the status quo.¹¹⁹ In laying the foundations for the RBE, it is also essential that we find more effective ways to leverage human rights commitments, standards, tools and strategies to hold governments to account, especially in the economic and social sphere. Christian Aid and CESR share a conviction that working together across the human rights, environmental and economic justice movements can generate powerful momentum for change, particularly in the current context.¹²⁰ This means working on both fronts simultaneously: deepening the engagement of the human rights movement and human rights oversight mechanisms with issues of economic injustice, while also bringing human rights arguments and strategy into the area of economic decision-making.

Placing human dignity and human rights at the centre of our economies may seem far-fetched to some. But COVID-19 has made manifest a simple fact obscured over decades of the neoliberal system: **people are the economy. The economy is fundamentally relational – it is made up of our different interactions with other people every day.**¹²¹ **The economy and the market are not outside of wider society and its norms and values, but part of the same fabric. But reclaiming the economy requires a dismantling of the systems, structures and narratives which have been built up over decades to divert and distort economic value and financial power to private ends. It requires us to fight private power and build public power as a counterbalance.** Understood comprehensively, human rights standards, principles and values can help us to achieve this. We can transform our economies to put human dignity and flourishing at their centre. Human rights should guide the decisions we take to get there.

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- 102 www.unicef-irc.org/family-friendly
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- 121 See Groundwork Collaborative, <https://groundworkcollaborative.org/resource/we-are-the-economy/>



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