

# Human rights and the economic system

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What is the relation between human rights and the economic and financial architecture? When that question was formulated to the national Social Watch coalitions, the answers they provided were extremely rich and diverse. Approaching them with an open mind, the reader of this report will be challenged to think out of the box and perhaps be inspired to draw creative links between distant extremes.

Thus, for example, there is growing consensus that the catastrophe in the financial markets of the US and Europe that is pushing the entire world into recession, unemployment and social disintegration had its origins in the deregulation of the banks in the early nineties and the lack of governmental supervision over greedy actors armed with risky investment “vehicles”.

“The collapse of public institutions has battered the economy. The private sector initiatives and market mechanism struggle to survive without good governance. Bias and self-centred extremist ideology have prevented social political and economic progress”, says one of the analysis in this report. It might apply well to global finances, but the authors are talking about Somalia, one of the world poorest countries, where the local Social Watch coalition has seen the national state collapse in the early 1990s and as a result there is now generalized crime, piracy, war among factions that do not hesitate to recruit child soldiers, rape young girls and assassinate journalists and civil society activists so as to leave no witness of the ordeal.

The Swiss social-watchers, reporting from one of the richest countries in the world, find it outrageous that “the country provides meagre development aid, does not take part in efforts to develop innovative global funding mechanisms and, while remaining a magnet for funds derived from tax evasion, it does not cooperate to formulate an international tax policy,” and is therefore not honouring its commitments to promote development and human rights. Meanwhile, in El Salvador, socialwatchers estimate that large corporations evaded taxes for a total of USD 2.6 billion in 2006, a sum roughly equal to the 2007 national budget. Tax evasion since 1990 is estimated at USD 25 billion. That sum would have wiped out the total external debt, the repayment of which drains one out of every four dollars of government revenue.

Since globalization strengthens daily these links between very distant realities, the German Social Watch coalition is demanding that its Government recognize “Germany has human rights obligations to people in other countries where the State, its citizens, or companies engage in activities”. This should explicitly include trade and investment policies, as

## ARAB REGION

“Poor and politically weak Arab governments are presented with the choice of either honouring human rights accords or complying with the commands of international economic institutions. They often prefer to violate human rights and face complaints or, at worst, international investigation rather than being cut off of millions of dollars in aid in case they reject trade and economic agreements.”

## BOLIVIA

“By now the country has vast experience in policies meant to harmonize aid for development. As an official of the Sub-Ministry of Public Investment and External Financing put it, Bolivia is the ‘laboratory mouse of international institutions that try out new modalities for combating poverty’. So far, none of the modalities have achieved their goal. Poverty remains pervasive.”

well as decisions taken in multilateral development banks. The Netherlands has moved in that direction, announcing that human rights will be the “point of departure” of Dutch foreign policy, advocating freedom of expression, abolition of the death penalty, a ban on torture and the promotion of women’s rights. The Government states that “where necessary it will be critical of its allies, and will be equally prepared to examine its own record”. Yet the local watchers observe that the Government is still reluctant to admit the authority of the international human rights treaty bodies, and its trade policy frequently contradicts development objectives and human rights promotion.

While the Somalis hope for restored calm and “a future democratic Government able to reduce poverty and inequality”, in the Democratic Republic of the Congo the electoral process of 2006 challenges the Government to guarantee “that the social dividends of democracy are quickly apparent”. South-South cooperation and a revision of the terms of the concessions to extractive industries are among the strategies advocated by the Congolese civil society organizations. In Nepal, also among the poorest countries of the world, the overthrow of the monarchy and elections for a new Constituent Assembly provide grounds for hope for the local socialwatchers “that the long period of violent conflict is finally over”. Trade liberalization, as a result of Nepal joining the World Trade Organization (WTO) in 2003, fuelled the conflict by allowing for massive food imports that ruined local farmers. Agriculture employs three quarters of the population, while the tasks of planting, harvesting and seed production are largely performed by women. The destruction of their livelihoods is a violation of their right to food security.

It is very easy to associate violent conflict with impoverishment and human rights violations, but the analysis of the causes of conflict is less obvi-

ous. In the Kenyan report the Social Watch coalition does that by looking at the issues of land, access to resources and power. Civil society proposes a new concept of “restorative justice” that preserves the common good instead of the conventional “retributive adversarial justice” that has increased polarization. Lebanon is trying to prevent an unstable social and political situation from exploding in violent conflict. Yet the plans currently implemented by the Government and supported by international donors seem primarily designed to integrate the country into the international economy, rather than securing the basic socioeconomic rights of the Lebanese. In a study about community rights at the local level, the Social Watch Thailand report shows how violence can erupt when ecologically and culturally sustainable styles are disrupted.

Conflict is nowhere more dramatic than in Iraq, where “daily life has become a nightmare”. The Iraqi Al-Amal Association that was already reporting for Social Watch on the sufferings of the Iraqis under Saddam Hussein, years ago, focuses this year on the fate of the millions of Iraqis that have been forced to abandon their homes in search of safer areas within the country or abroad: the largest and fastest migration in modern history affecting around five million people. While the process is still going on, Iraqi civil society is already planning on how to mitigate their sufferings in a framework of conflict resolution.

On the other end of the migration issue, 600 thousand people arrive each year to Spain as migrants. “The root cause is systematic infringement of the International Covenant on Economic, Social and Cultural Rights,” argues the Spanish Social Watch platform. “Despite legal advances over the last few years that have made it easier to obtain work permits, foreigners are often shunted to occupations with harsher working conditions and poor wages,

## BURMA

“Forty-six years of military rule have ground Burma down into one of the poorest countries in the world. Rather than create an environment in which the people can fully participate in the decisions on how their country is run and enjoy growing prosperity, the ruling State Peace and Development Council (SPDC) has imposed economic policies that enrich its supporters but impoverish most of the population. Around one-third of the country struggles to survive on less than USD 1 a day.”

## CAMBODIA

“With the deregulation of investments and imports, aimed at encouraging foreign investment, Cambodia has moved fast into land concessions and speculation. While the elite has benefited, the sustainability of the country’s ethnic indigenous minority cultures, particularly in the northeast, is at risk. Rural land is being sold or appropriated to large businesses by powerful public officials, urban areas are rapidly growing and available land is exhausted, triggering large disparities between rich and poor.”

while immigrant women face triple jeopardy, as immigrants, workers and women”. Yet, the Government of Spain is credited by its civil society organization with having substantially increased development assistance and promoting an international treaty for the control of the arms trade.

The fate of migrants is also a strong concern for the socialwatchers in South Korea, where they suffer mistreatment and discrimination in spite of the fact that in 2001 a Constitutional Court sentenced that “foreigners are also entitled to human dignity, human rights and the right to pursue happiness as a human being”. In Cyprus, Social Watch argues for better education as a way to achieve social justice, particularly for the increasing percentage of children whose mother tongue is not Greek. In Malta an otherwise excellent record on human rights is tarnished by episodes of racism and bad conditions in four administrative detention centres for asylum seekers.

More than one million people, mostly women, migrate out of the Philippines each year. They sustain with their remittances the economic growth in the Philippines, while a substantial part of government revenue goes to debt repayment. Poverty is increasing and the consequent social unrest is being repressed using provisions on a new anti-terrorism law.

To change an economic regime is a bet that may or may not result in gains, but always has costs. And those costs are very frequently borne by the weakest and vulnerable sectors of society. In the case of Hungary, the Roma (disdainfully called gypsies) were among those most negatively affected by the transition to a market economy and, on top of that, they have become scapegoats, as the majority of Hungarians have experienced a severe decline in living standards. The situation of the Roma is also of concern for the Social Watch coalitions in Serbia,

Slovakia, Romania and the Czech Republic, while in Latvia the Russian speaking minority (one third of the population) has its rights curtailed.

The right to housing is a cornerstone in the struggle for the realization of the ESC rights. On the one hand, this is due to the fact that the notion of home is intimately related with that of family, which deserves protection in all cultures and constitutions. On the other, a government has to exert some positive action (as opposed to just abstaining from doing the condemnable act, like censoring or torturing) to guarantee housing for its population. In 2007, after a successful civil society campaign, France institutionalized the right to affordable housing, thereby making it an obligation of the State, which if not met can be subject to court action. However, given the paltry amount of resources allocated for housing in the budget, the State will only be able to guarantee the right to housing to about 10% of the three million people living in sub-standard housing or homeless. The report of the Argentine Social Watch platform concentrates this year on the right to housing, which is enshrined in the Constitution but left in the hands of the market. As a consequence, one fourth of households live in inadequate conditions.

In the United States, one of the larger human rights campaigns is the Living Wage Campaign, led by ACORN, demanding work for all, a fair minimum wage, as well as access to affordable housing. Gulf States, especially Mississippi and Louisiana, that were devastated by Hurricane Katrina, have become a battleground and a testing ground for a range of legal principles traditionally thought to belong in the international realm, ranging from the rights of internally displaced persons to the right to land and housing.

Sixty years after having actively campaigned for the Universal Declaration of Human Rights, the US has distanced itself from the UN system it helped to create – a trend which undermines the potential for collective solutions to the critical problems we face today, such as climate change, rising food shortages, poverty and war. Since World War II, the US Government has promoted deregulated markets as a means to reduce conflict and support policy goals, both within and outside of its borders. This includes privatizing public service provision and relaxing labour and environmental regulations to promote investment and increase trade.

Privatizations have been carried out with a one-size-fits-all approach, irrespective of local conditions, history and political processes. In an extreme case, as reported by the Social Watch platform from Bahrain, the blueprint for reform of the whole economy of the country was drafted by the American private consultancy firm McKinsey & Co.

In Serbia, the Anti-corruption Council, a governmental advisory body, has denounced how the Law on Privatization, approved in 2001, has opened the door to extraordinary opportunities for “corruption and the creation of monopolies, money laundering and the ‘robbery’ of state-owned and socially-owned companies by ‘tycoons’ and ‘a group of powerful people’ who make laws to benefit their personal interests.”

Corruption undermines the rule of law and violates the principle of equality of access to resources and basic services. It is therefore a permanent threat to human rights and is mentioned as a major concern in the Social Watch reports from Vietnam, Mozambique and many others. What the Romanian report describes can be applied to many other countries: “Property rights, strongly promoted after 1989 as a cornerstone of the new ‘liberal democracy’ have been flagrantly violated by manipulators who gambled with the privatization process. Some of them grew rich through their former affiliation to the *nomenklatura* or *Securitate*. Others pulled strings in the judicial system and used blackmail and fraud to seize most of the properties nationalized by the Communist regime. Still others have made fortunes with the help of former comrades now in key public offices, gaining preferential access to State assets being privatized or to Government contracts.”

“Impunity for the powerful and connected is the single most important factor in the perpetuation of corruption, and indeed in all human rights violations.” Romania’s plight illustrates this perfectly.

Perhaps nowhere is the human rights impact of bad economic policies as dramatic as in the case of agriculture, where millions of people can be deprived almost overnight of their most basic right to food. In Bangladesh, where three fourths of the population live in rural areas, trade liberalization has resulted in a significant decline in food security. Succumbing

to pressure from donors, who insisted that in a globalized economy any shortage of food grains could be made up for on the international market, Bangladesh ended its policy of building up large stockpiles. "This year the bill came due," reports the local Social Watch platform. "Floods and cyclones caused significant crop losses and Bangladesh had to buy rice on the international market at a time when supplies were down and prices had soared."

In Ghana, agriculture is hailed as the primary source of economic growth, yet a closer examination reveals a strong gender bias in this expansion. "Government investments have spurred a boom in export industries, primarily timber and cocoa production, where the workforce is predominantly male. At the same time, the Government has offered little support to basic food industries that are traditionally women's responsibility. As a result, crops for domestic consumption, livestock and fishing have all stagnated." When the food crisis became evident, President John Kuffour announced in May 2008 a programme to "mitigate the hardships Ghanaians are facing as a result of escalating food and fuel prices" by reducing import duties on food products and waiving levies on some petroleum products. The Ghanaian socialwatchers expressed support for the initiative, while also noting that it "will not benefit small scale producers, mainly women, who produce 80% of food in Ghana".

Similarly in Yemen, one of the countries ranking lowest in the Gender Equity Index computed by Social Watch, poor women, employed mainly in agriculture and shepherding more acutely suffer the impacts of trade liberalization and the rise in wheat prices. Local socialwatchers report that "most independent

**INDONESIA**

"Domestic violence, particularly assaults on wives by the husband or children by their parents, often erupts in times of growing economic stress. Adults, particularly men, who lose hope and are overwhelmed by feelings of powerlessness, are much more likely to lash out against weak or vulnerable family members. At a time when the combined unemployment and underemployment rates have climbed above 39%, many more families are on the edge."

**ITALY**

"Although Italy committed to prioritize the goals of poverty reduction, achieving gender equality and the Millennium Development Goals within its development assistance policies, the quality and quantity of its funding to support universal access to health, water and education are still below European and international standards."

research institutions and organizations are in agreement that the Government does not follow standard economic principles in formulating its strategy. Instead, it develops and implements policies haphazardly for the benefit of a corrupt minority. These wealthy few siphon off the money and resources of the State and compel the poor majority of the population to shoulder the burden of so-called "economic reforms" that provide no visible benefits."

Corruption and ill-designed policies are not exclusive to developing countries. In the Czech Republic, former president Václav Havel characterized the privatization process as 'Mafioso capitalism' and the local socialwatchers remind us in a timely way in their report how "a large share of the losses from bankrupted banks and funds was recouped from taxpayers." The tax reform introduced in 2007 is

described as "take from the poor, give to the rich". Similar words are used by the Canadian watchers: "Canada is among a small group of nations that has reduced taxation levels in such a way as to most benefit those who are already the most affluent." In Paraguay, where taxation is so unfair that income is not taxed at all, recent revenue reforms are recruiting new contributors from the middle and low sectors, while those with high income still do not make a significant contribution to the treasury. "Since those "who are taxed are those who have less (...) the expenses heighten inequality."

The "race to the bottom" in tax policy is a result of countries competing with each other to attract foreign investors. "Free trade zones" have been created exempt from national taxes (and sometimes also from laws and constitutional guarantees *à la*

## CAMEROON AND CITIZENS WITH DISABILITIES: MANY COMMITMENTS, FEW RESULTS

Federation of Civil Society Organizations of Cameroon (FOSCAM)<sup>1</sup>

Sixty years after the Universal Declaration of Human Rights and nine after the declaration of the African Decade of Persons with Disabilities, the rights of persons with disabilities are still being ignored in Cameroon.

The country has signed and adopted most international agreements with regard to peace, safety and development. However, when in 2006 the Convention concerning a programme for worldwide action in favour of

persons with disabilities, approved by the UN in 1981, was adopted, Cameroon did not sign the document, which came into force in April 2008.

In March 2000, a meeting of the National Steering Committee for the activities of the African Decade of Persons with Disabilities (ADPD 1999-2009) was organised in Cameroon, which resulted in the drafting of an Action Plan in 2002. A National Follow-Up Committee was announced for 2008 but it has not yet been formed. Nor are there any national strategies for putting the National Plan into practice.

Until now, in Cameroon the rights of persons with disabilities are, in the best of cases, only acknowledged on paper. Despite the international commitments which have been assumed, the absence of specific State policies reflects a lack of real commitment with regard to the rights of the people with disabilities. ■

<sup>1</sup> ANACLAC, COSADER, UNAPHAC, Club UA-Cameroun, APICA, CIPI, IDF Bamenda, ADEID, CNJD, CANADEL, CAMNAFAW, CNJD, CIPI, CRADIF, APRIS, APSC, CERUT, CRADEC, DMJ and CGT-Libertés.

## MOLDOVA

"There is no effective legal remedy against gender discrimination. Lack of gender sensitivity within courts and among law enforcement authorities denies women access to justice, particularly in cases involving gender-based violence."

## PORTUGAL

"Eighteen per cent of the population lives below the poverty line. This figure becomes even starker when it is taken into account that Portugal's poverty line corresponds to about 52% of the value for all 25 EU members (EU-25) and to less than half the value for the original 15 (EU-15). Moreover, Portugal is also one of the most unequal countries in the EU: in 2006, the income of the richest 20% of the population was 6.8 higher than the income of the poorest 20%."

## SLOVENIA

"Poverty among the elderly and children grew over the previous decade... NGOs working with marginalized groups and the Human Rights Ombudsman have condemned the social discrimination that leads to high levels of poverty and homelessness among the old, the ill, the Roma, mothers with young children and other social groups with minimal assets."

## TANZANIA

"Globalization has turned Tanzania into a market for fake pharmaceutical drugs, including counterfeit versions of antibiotics, hormones, steroids, and anti-malaria, anti-cancer and anti-viral drugs. In 2005, sales of fake drugs worldwide exceeded USD 3.5 billion per year, and could reach USD 75 billion by 2010 if action is not taken. Anti-malaria drugs are particularly deadly: a million people die from this disease each year; an estimated one-fifth of these deaths could be avoided, according to the World Health Organization, if drugs used to treat them were genuine."

*Guantanamo*). In Morocco "duty-free zones are often accused of violating workers' economic and social rights" and in Uganda the situation of workers' rights in the flower and hotel industries is "serious and deteriorating".

The provision of essential social services (education, health, drinking water) is a key component in any strategy to reduce poverty and realize ESC rights. Social Watch groups have been reporting on the quality of those services, and lately also studying how exactly they are being paid for and by whom. Studying the national budget in detail, Social Watch Brazil has come to the conclusion that "between indirect taxes, direct contributions to the social security system required for eligibility to its benefits and the diversion of some of that money to other purposes, the people who finance the programmes that promote ESC rights are the beneficiaries themselves." Or, in other words, there is no redistribution of wealth at all. In India, which together with Brazil is seen as one of the success

stories in emerging economies, while the GDP climbs at a rate of 9% plus annually, "the question of whether the Government will provide basic services to the marginalized and vulnerable sectors of society remains unanswered."

By signing the North American Free Trade Agreement with the US and Canada, Mexico became the first developing country to enter into such kind of "partnership" with all the associated macroeconomic conditionalities. Mexico is officially committed to "guarantee unrestricted respect for human rights and struggle for their promotion and defence" but the Mexican socialwatchers conclude that "the economic model that the State refuses to review does not promote real development, but creates social injustice, environmental degradation and diverse violations to the civil, political, economic, social, cultural and environmental human rights of the population."

In Costa Rica, a country where the state has traditionally guaranteed universal access to basic social

services, the introduction of a Free Trade Agreement with the United States was a highly controversial issue. A referendum on the FTA was convened, but instead of stimulating a rational debate on the issues, the "freetraders" launched a campaign explicitly aimed at inducing "fear" among voters. The vice-president was forced to resign when multiple violations of the electoral laws were exposed, but the treaty remained in force, subsequently making the country more vulnerable to the impact of the crisis in late 2008 and creating a pending agenda of restoring faith in democratic institutions.

In Malaysia, meanwhile, the anti-FTA protests managed to ensure that the Malaysia-USA FTA was not signed before the expiration of fast-track authority in 2007. The local watchers argue that "the Government culture of secrecy must be loosened if the country is to create the openness, accountability and transparency needed for broad public participation in economic development".

Those ingredients are necessary for public participation, but they may not be enough. In Poland, "decision makers show little evidence of capacity to respond constructively to human rights campaigns and proposals; and mobilizing broad human rights campaigns remains difficult. Citizens have little confidence that their activity could lead to progress and are extremely reluctant to become involved in civil society initiatives".

Lithuanians also feel very sceptical about their ability to defend their rights. Three quarters of respondents in a 2006 poll reported that their rights had been abused and they had not complained. Seventy-four per cent of respondents declared that they would not appeal to state institutions for redress, because they believed it would be futile. Even worse, Lithuanian socialwatchers report that "the public also seems to have given up on popular protests, which the authorities usually ignore".

Those findings contrast sharply with the experience of socialwatchers in Benin. Decentralization of government begun in 2003 in this African country, giving 77 communes (territorial communities) managerial and administrative autonomy to define their local priorities and the means necessary to respond to them. As a result, civil society organizations mobilized and pressed the State to increase its financial support of the so-called intercommunal solidarity funds and channel various subsidies to the communes, where citizens closely control the Government. This funding increased from USD 1.6 million in 2003, to USD 4.9 million in 2008.

In Colombia, in spite of the political violence, the last years have seen the intensification of social mobilizations by the rural population, the indigenous peoples, the unions, Afro-descendants, women, the

victims of crimes committed by the State, gays and lesbians and human rights activists, against the constant violation of rights, the need for a negotiated peace in the political and social armed conflict and the serious humanitarian crisis.

The socialwatchers from Zambia express a generalized feeling when they argue that “both the State and the international community have been guilty of ‘crimes against humanity’, including the world’s lowest life expectancy for people under 40, high rates of morbidity and maternal mortality, increasing levels of illiteracy, gender-based violence and extreme levels of poverty.”

In Senegal, “structural adjustment policies, including privatization of most basic services (water, energy, transport) have not achieved their stated goal of revitalizing the economy. In fact, these policies have de-industrialized the country, with disastrous social consequences: the loss of thousands of jobs, extremely high unemployment, and massive migration to urban centres”. In that context, “official mechanisms to promote and protect human rights have become weaker rather than stronger” and public opposition is being curtailed by frequent bans on protests, harassment of journalists and impunity for individuals who commit political crimes, embezzlement of public funds or torture. In such a context violations of the rights of women and children (even when not clearly “politically motivated”) are also reaching “disturbing proportions, marked by cases of sexual harassment and abuse, rape, murder, forced marriages, genital mutilation and paedophilia”.

In Sri Lanka, political leaders won the elections in 1994 and 2005 promising to halt privatization and other policies demanded by the World Bank and the International Monetary Fund. However, once in power they blatantly violated their campaign promises and pursued the same policies they had denounced, attempting privatization of water, education and health, and allocating even more money to infrastructure investments designed to make the country attractive to foreign investors.

According to the national Social Watch platform, “preventing people from using their creativity to overcome hunger and poverty in order to please global economic powers that seek to extract the greatest possible profit is a violation of rights – the worst of all, since it is linked to violations of other rights, such as the right to freedom of expression, the right to social security, the right to organize and the right to live in security.” ■