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A/TO: To all Permanent Missions to the United Nations Office at Geneva, UN agencies, International Organizations, and International Financial Institutions

DE/FROM: Beatriz Balbin
Chief
Special Procedures Branch

FAX: +41 22 917 90 08

TEL: +41 22 917 98 67

E-MAIL: ieforeigndebt@ohchr.org

PAGES: 24 (Y COMPRIS CETTE PAGE/INCLUDING THIS PAGE)

OBJET/SUBJECT: **Guidance note by the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights**

Please find attached letter and a guidance note by the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights.

Mandate of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights

15 April 2020

Excellency,

I have the honour to address you in my capacity as the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, pursuant to resolution 34/3 of the Human Rights Council.

I am writing to share a guidance note I have prepared on COVID-19, economy and human rights.

For additional information, do not hesitate to get in contact with me through Ms. Frédérique Bourque (fbourque@ohchr.org, tel. +41 22 917 99 46) or Mr. Bahram Ghazi (bghazi@ohchr.org; tel. +41 22 928 95 15), who support my mandate at the Office of the High Commissioner for Human Rights in Geneva.



Juan Pablo Bohoslavsky

Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights

Enclosure

To all Permanent Missions to the United Nations Office at Geneva, UN agencies, International Organizations, and International Financial Institutions



PALAIS DES NATIONS • 1211 GENEVA 10, SWITZERLAND
www.ohchr.org • TEL: +41 22 917 9000 • FAX: +41 22 917 9008 • E-MAIL: registry@ohchr.org

COVID-19: Urgent appeal for a human rights response to the economic recession

Juan Pablo Bohoslavsky

United Nations Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights

Geneva, 15 April 2020

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Introduction

On 11 March 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak a global pandemic. In a rapidly evolving situation, States are trying –with different levels of commitment and effectiveness- to curb the progress of the disease. While the virus is a threat to the rights to life and health, the human rights impact of the crisis goes well beyond medical and public health concerns. The health crisis itself and the governmental measures implemented to face it are leading the world into an economic recession. The consequences of the decisions taken by national and international stakeholders to deal with health and economic issues are mutually affected, and so, their joint consideration is the only possible option.

While it is now clear that prevention and mitigating measures to contain the pandemic as soon as possible must be taken urgently, globally and in a coordinated manner by States, similar considerations should be given to address projected adverse human rights impacts of a drastic economic downturn. This is why the response must be framed and rooted in human rights law.

In a first statement released on 20 March 2020, I provided some urgent recommendations to deal with the current crisis from a human rights perspective.¹ The present document intends to provide more details on ways to tackle the economic shock of the COVID-19 crisis and the structural flaws of the economic and financial system that need to be addressed to avoid the recurrence of such a catastrophic situation and to become tools for transformation and effective realization of all human rights.

1. The impact of the coronavirus induced economic recession. Possible approaches

Learning from the last economic crisis: austerity cannot be an option

An economic crisis is rapidly coming on the horizon, with immediate economic impacts -that have already been felt through job losses². We are now experiencing a “coronavirus shock”³, a phenomenon at risk of greatly affecting the global economy, societies and human rights. While the scale of the crisis cannot be precisely estimated yet, there seems to be a consensus as to expect more drastic repercussions than that of the 2008 financial crisis.⁴

¹ “An immediate human rights response to counter the COVID-19 and the global recession ahead is an urgent priority,” says UN expert,

<https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25732&LangID=E>

² BBC, Coronavirus: Spain sees record rise in unemployment amid lockdown, 2 April 2020, available at <https://www.bbc.com/news/world-europe-52131756>

³ UNCTAD, “The coronavirus shock: A story of another crisis foretold and what policy makers should be doing about it”, 9 March 2020, available at:

https://unctad.org/en/PublicationsLibrary/gds_tdr2019_update_coronavirus.pdf

⁴ Myriam Vander Stichele, “Finance must serve society during the COVID-19 crisis – not disrupt it”, 16 March 2020 see also Ezra Klein, “How the Covid-19 recession could become a depression”, Vox, 23 March 2020, available at: <https://www.vox.com/2020/3/23/21188900/coronavirus-stock-market-recession-depression-trump-jobs-unemployment>

More specifically, the UN Department of Economic and Social Affairs anticipates, at best, a deceleration from the 2.5% growth previously forecasted for 2020; in a more pessimistic case, it forecasts a -0,9% global economic contraction.⁵ According to the study, the severity of the downturn will mainly depend on two factors: “(1) the duration of restrictions on the movement of people and economic activities in major economies; and (2) the actual size and efficacy of fiscal responses to the crisis. A well-designed fiscal stimulus package, prioritizing health spending to contain the spread of the virus and providing income support to households most affected by the pandemic would help to minimize the likelihood of a deep economic recession.”

⁶ In terms of lost income, global economic costs linked with the pandemic are currently estimated to 1,1 trillion in 2020 in the most benign scenario, and to almost 3 trillion in the worst-case scenario.⁷

In a context where a raise in global indebtedness- household, government and corporate sectors combined- reached an “all time high”⁸ at the end of 2019 and - as UNCTAD was already underscoring- a particular raise on the private debt front in 2018,⁹ even further economic challenges due to debt servicing are expected. This is of specific concern for developing countries, with an average total debt of almost twice the size of their GDP,¹⁰ and those are already devoting a large share of their revenue to debt servicing to an unprecedented variety of debt owners, including institutional investors.¹¹

There is no doubt about the large-scale impact of the latest (2008-2009) global economic crisis on human rights of people around the world. Equally, from a human rights perspective, potential impacts of the upcoming recession include challenges to access adequate housing, healthcare- including mental health- education, water and sanitation, social protection and work.

Looking back at this period, a series of consequences, including on the right to food, housing, education, health, water and sanitation, food, just and favourable conditions of work and social protection have been registered and are well documented in both developed and developing countries. As stated in a report by the OHCHR at the time “generally, the crisis and the global economic slowdown associated with it, has the potential to impact on human rights directly and indirectly, including on the ability of individuals to exercise and claim their rights and on the ability of States to fulfil their obligations”.¹² In addition, the same economic shock can have

⁵ UN-DESA, “World Economic Situation and Prospects: April 2020,” Briefing, No. 136, https://www.un.org/development/desa/dpad/document_gem/global-economic-monitoring-unit/world-economic-situation-and-prospects-wesp-report/

⁶ Ibid.

⁷ World Economic Forum, This is how much the coronavirus will cost the world's economy, according to the UN, 17 March 2020, <https://www.weforum.org/agenda/2020/03/coronavirus-covid-19-cost-economy-2020-un-trade-economics-pandemic/> and Bloomberg, Coronavirus Could Cost the Global Economy \$2.7 Trillion. Here's How, 6 March 2020, <https://www.bloomberg.com/graphics/2020-coronavirus-pandemic-global-economic-risk/>

⁸ Emre Tiftik, et Al., « Global Debt Monitor Sustainability Matters », Institute of International Finance, 13 January 2020 available at:

https://www.iif.com/Portals/0/Files/content/Global%20Debt%20Monitor_January2020_vf.pdf

⁹ UNCTAD *The coronavirus shock*.

¹⁰ “In 2018, the total debt of developing countries – private, public, domestic and external - reached 191 per cent of their combined GDP, the highest level on record”. See UNCTAD, *The coronavirus shock*.

¹¹ SOMO “The risky interconnectedness between investment funds and developing country debt”, Discussion paper, October 2019 available at: <https://www.somo.nl/wp-content/uploads/2019/10/Interconnectivity.pdf>

¹² A/HRC/13/38, para 8.

different impacts on different vulnerable and marginalized groups, which can also turn out to be cumulative for some. This period saw a rise in world hunger, a high increase in evictions, foreclosures, homelessness and negative impact on affordability of housing.¹³ We also know that this crisis resulted in a sharp rise in unemployment, reaching unprecedented level in 2009¹⁴, pushed too many into poverty as well as entrenched inequalities.¹⁵

In response to the 2008-2009 crisis, we also witnessed the adoption of bail out packages to “save the economy” which were directed to private financial institutions rather than individuals; mitigating measure were adopted to limit the financial impacts rather than to provide targeted relief measures to individuals to guarantee the enjoyment of their human rights such as potential mortgages moratorium and halt in evictions. That means that the bailout policies did not benefit directly people affected by excessive expensive mortgages but private financial institutions- the same entities that took too many risks facilitated by de-regulation. Loose monetary policies provided higher income for financial investors¹⁶ and also encouraged the privately owned bonds issued by developing countries¹⁷.

While the initial reaction of governments to cope with the 2008-9 crisis was to support national economies through fiscal stimulus packages and public indebtedness, orthodox austerity policies found their way at a very early stage. These policies have been lasting for more than a decade. In fact, two third of countries around the world were considering adopting austerity measures over the last years.¹⁸

However, it has been demonstrated that austerity, as a policy to face the consequences of an economic crisis, does not contribute to economic recovery but rather entrenches inequalities, hits the vulnerable the hardest and weakens States’ public safety nets, dangerously jeopardizing the ability to adequately respond to immediate human rights obligations.¹⁹ As we are witnessing today, it also impairs the States capacity to respond to future shocks in an adequate and timely manner, to prevent and mitigate adverse human rights impacts.

Economic recession impacting women’s human rights harder

The impact of crises on inequality and human rights depends, to a great extent, on the existing social protection system in place, as well as the level of public spending, which serves as a stabilizer during recessions, including the way this public spending is financed.²⁰ The aftermath

¹³ A/HRC/13/38 para. 11-12.

¹⁴ ILO, *Global Employment Trend*, January 2010, available at https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_120465/lang--en/index.htm

¹⁵ See for instance Moritz Kuhn, Moritz Schularick and Ulrike Steins, “Research: How the Financial Crisis Drastically Increased Wealth Inequality in the U.S”, Harvard Business Review, 13 September 2018, available at:

<https://hbr.org/2018/09/research-how-the-financial-crisis-drastically-increased-wealth-inequality-in-the-u-s>,

¹⁶ Tom Hudepohl, Ryan van Lamoan and Nander de Vette, “ Quantitative Easing and Exuberance in Stock Markets: Evidence from the euro Area”, DNB Working Paper No. 660, December 2019, available at: https://www.dnb.nl/binaries/Working%20paper%20No.%20660_tcm46-386407.pdf

¹⁷ Somo, “The risky interconnectedness”.

¹⁸ Isabel Ortiz, Matthew Cummins and Kalaivani Karunanethy, “Fiscal space for social protection and the SDGs: options to expand social investments in 187 countries”, ESS Working Paper No. 48 (Geneva, ILO, 2017).

¹⁹ A/HRC/74/178.

²⁰ A/HRC/31/60, para 47.

of the coming crisis is expected to be particularly devastating from a human rights perspective if special measures are not urgently adopted to compensate for past shortcomings and protect the population, while paying particular attention for the most marginalised and in vulnerable situations.

The current economic system is, for the most part, sustained by gender inequality and discrimination against women in the labour market. Around the world, unpaid and paid care work is too often and mostly performed by women. The value of women's unpaid and underpaid labour and its contribution to the economy have been seriously underestimated and even ignored for centuries. However, in times of the current pandemic and its interconnected crises, its value has been multiplied. Not to forget that women actually comprise more than 70 percent of health and social sector workers, let alone playing unpaid community health-care workers' role. The human right to care (to care, be cared and self-care) is blatantly ignored. In this context, it is not surprising that economic crisis hit women harder than men. Economic crises hit women harder than men because they are often overrepresented in the informal sector and low paid job and are more likely to lose their jobs, and they suffer simultaneously as public-sector workers, service users and the main recipients of social security protection benefits, which all this has in turn specific implications in terms of care.²¹

Unfortunately, the risk of this crisis repercussions adding up even more care work for women and exposing them to higher degrees of multiple and intersecting forms of discriminations and gender violence²² is real and acute. In addition, social isolation measures and quarantines have proved to have a negative effect on women's physical integrity, leading to a sharp rise in domestic violence worldwide.

The key role of women in rural communities being not only food providers at home but also food producers should be highlighted. Agricultural women workers play a dominant role in harvesting food crops but face immense brutality at the hands of cultural norms through patriarchy but also economic forces where land is largely owned by very big landlords or corporate entities.

Economy vs human rights? False dilemma

In parallel, a particular concern has been the outrageous overlooking of warnings to prepare for pandemics and the lack of effective public response from a number of governments to protect the public health through proven effective measures such as social distancing and quarantines²³ to flatten the curve of the pandemic. When life and health of populations are at stake, business as usual must not go on; there is a need to ensure that normal operations do not erode health policies to control the spread of the disease and the associated risk of a collapse of public health systems. Whether lives are protected or some more economic wealth is produced in a given year is a choice that has to be taken from a human rights perspective. The economy as such cannot stand in first position, especially since it did allow for the majority of people to have no personal safety net. Life, and human rights, must be in the centre of concern.

²¹ A/73/179.

²² Corina Rodríguez Enríquez y Laura Pautassi "Violencia contra las mujeres y políticas públicas. Implicancias fiscales y socioeconómicas", Serie Asuntos de Género, CEPAL, No. 137, 2016

²³ <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>

Some governments seem to promote an approach consisting in “saving the economy” at any costs, including by putting the health and lives of the majority of their populations at stake. By the same token, this economy centred approach is often accompanied by a similar lack of enthusiasm to reduce inequalities, ensure the realization of economic and social rights of all or to reduce deaths or health problems from pollution and climate change. Therefore, “saving the economy” also means prioritise the benefit of a certain elite.

In this sense, it is necessary to distinguish big corporations claims to maintain their profits, from the needs of impoverish workers who try to earn their daily livelihood. While it is important to minimize social and economic impact of the economic recession, by providing employment and thus ensuring the survival of the business sector as a whole, alternatives do exist. For example, they could include, targeted, temporary and compulsory payment holidays from taxes, rent and mortgages, other debts owed or other type of relief. The existence of a large portion of the working force employed in multiple informal conditions or short-term contracts increases the difficulty to protect jobs through only bailing out small and informal businesses. With a high number of people deprived from their livelihood, it is of utmost importance that such initiative focus on individuals, from a human rights perspective.

The “economy first” approach should not mean leaving people on their own to cope with the pandemic. Besides, millions of people dying does not sound like a great contribution to the economy from a purely consequentialist viewpoint. In turn, implementing robust public health policies that saves lives and prevent health systems from collapsing should be complemented by policies to make possible that the economic system produces and delivers goods and services to fulfil basic human rights while minimizing the long term negative economic effects of the pandemic. Not putting public health at the centre of the governmental action plans does not save the economy, it only leads to the worst of both worlds.

From a human rights perspective, potential impacts of the upcoming recession include challenges in the way of the full enjoyment of a wide range of human rights including food, housing, health, education, water and sanitation, social protection non-discrimination and just and favourable conditions of work. As clearly established under human rights law, individuals should not choose between achieving one of their basic human rights over another. For instance, this could take the form of people reducing food intakes to be able to afford housing or medical care.

In the same vein, people having no other choices than to rely on debt to try to fulfil basic needs is a specific concern. If nothing is done immediately, it is likely that individual and household debts keep increasing, while individual resort to credit as a last resort to fulfil basic human rights;²⁴ especially should austerity measures be implemented and actively pursued. While household debt is not a human rights violation *per se*, it becomes particularly problematic when individuals resort to formal and informal lending networks to guarantee their right to healthcare, housing, food, water and sanitation or education for instance. What might be a lifebuoy today, becomes rapidly a plummet as debt payments diminishes the already low income. Not to mention that migrants’ remittances currently working in countries particularly

²⁴ And on top of the already precarious and fragile picture in the world where many vulnerable and marginalised people were already having to make choices between adequate food and adequate housing or medical care. See A/HRC/43/45.

affected by the pandemic will likely diminish drastically,²⁵ with direct impact on the livelihood of many, in developing countries in particular.

2. What needs to be done now

Immediate emergency human rights and humanitarian responses for “those left behind”

An immediate emergency human rights and humanitarian response in areas and groups at heightened risks of the pandemic, should be urgently deployed. In particular, humanitarian efforts must urgently provide relief to all individuals including those living in informal settlements and in situations of homelessness, informal workers including domestic workers, landless farmers, indigenous communities, poor neighbourhoods, IDPs, refugees, migrants, persons with disabilities, older persons, children, women who are victim of violence and persons under detention and in State custody.

A welcome development is indeed the \$2 billion coordinated global humanitarian response plan to fight COVID-19 launched by the UN Secretary General on 25 March 2020. This plan aims to “deliver essential laboratory equipment to test for the virus, and medical supplies to treat people; install handwashing stations in camps and settlements; launch public information campaigns on how to protect yourself and others from the virus; and establish airbridges and hubs across Africa, Asia and Latin America to move humanitarian workers and supplies to where they are needed most.”²⁶ Yet, this \$2 billion plan is negligible given that a number of developing countries do not even have resources to obtain testing kits and other medical supplies.

Actually, an effective COVID-19 testing policy²⁷ should be a priority and tests should be made available for the population free of charge, in particular for health workers and also the most vulnerable and marginalized. Acknowledging that the availability of tests is linked to, production, trade, distribution, economic resources and other concerns, a comprehensive approach should be envisaged by all States to provide effective solutions, including when it comes to international cooperation. It is also critical that health workers are provided with personal protection equipment free of cost. In the same vein, access to healthcare should be

²⁵ Dominique Baillard, “G20: pourquoi le coronavirus est une calamité pour les pays émergents », RFI, 26 March 2020 available at : <http://www.rfi.fr/fr/podcasts/20200326-g20-pourquoi-le-coronavirus-est-une-calamite%C3%A9-les-pays-%C3%A9mergents>

²⁶ UNICEF, “A global approach is the only way to fight COVID-19, the UN says as it launches humanitarian response plan”, 25 March 2020, available at: <https://www.unicef.org/press-releases/global-approach-only-way-fight-covid-19-un-says-it-launches-humanitarian-response>

²⁷ Nazihah Muhamad Noor and Jomo Kwame Sundaram, “East Asian Lessons for Controlling Covid-19”, Inter Press Services, 26 March 2020, available at: <http://www.ipsnews.net/2020/03/east-asian-lessons-controlling-covid-19/>

provided without any discrimination, including for persons with disabilities, older persons, migrants, refugees, minorities and the homeless.

Emergency basic income, housing and essential services

Such initiatives or any other initiatives to soften the economic fall-out of the crisis, such as cash transfers and subsidies, must be designed to urgently reach those in need (whether “banked” or “unbanked”) and benefit all those financially struggling, without any discrimination, including those who are self-employed, informal workers and unpaid care workers who are largely women.

This should be coupled with continued efforts to fight the pandemic from a human rights based approach, mitigating the consequences of any potential lockdowns and restrictions that were put in place to combat the pandemic resulting in adverse human rights impacts, which in turn are leading to economic and work disruption as well as a surge in domestic violence.

As already adopted by many States, measures including unconditional cash transfers to maintain an adequate standard of living, avoid entrenching inequalities and preventing from pushing people into poverty, must be adopted immediately. In this regard, it is reassuring to see that some countries have already committed²⁸ to boost cash transfers and help packages, expand social safety nets and ordered suspension on mortgage repayments.²⁹

While States have the duty to protect human rights, including from abuses from third parties, businesses must respect human rights in their operations, by seeking to prevent or mitigate human rights impact and by “doing no harm”. In this regard, businesses should ensure to abide by the Guiding Principle on business and human rights and WHO guidance for preventing the spread of COVID-19 at the work place.³⁰

Since adequate housing is the entry point to the exercise of numerous human rights, such as education, work or health,³¹ and key to the effective implementation of prevention efforts, a moratorium on evictions should be enacted.³² The Special Rapporteur on adequate housing has

²⁸ See for instance Erica Alini, “The Canada Emergency Response Benefit for COVID-19: who’s eligible and how to apply, Global News, 26 March 2020 available at; <https://globalnews.ca/news/6735158/ei-for-covid-19-what-we-know-so-far-about-the-new-emergency-response-benefit/>, on Peru Singapore and Hong Kong boosting cash transfers; Maximo Torero Cullen, “A battle plan for ensuring global food supplies during the COVID-19 crisis”, FAO, available at: <http://www.fao.org/news/story/en/item/1268059/icode/>; and Argentina, <https://www.argentina.gob.ar/noticias/covid-19-el-gobierno-implementara-el-ingreso-familiar-de-emergencia-ife-para-aliviar-la>

²⁹ See for instance Italy <https://www.ft.com/content/21d94d40-6251-11ea-a6cd-df28cc3c6a68>

³⁰ See for example; https://www.who.int/docs/default-source/coronaviruse/getting-workplace-ready-for-covid-19.pdf?sfvrsn=359a81e7_6

³¹ A/HRC/43/45.

³² See “Housing, the front line defence against the COVID-19 outbreak,” says UN expert, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25727&LangID=E> and “Ban all evictions everywhere - COVID19”, video from Leilani Farha, available at: <https://www.youtube.com/watch?v=EMvySuJ1t4k&feature=youtu.be>

recently issued two guidance notes that need to be carefully considered.³³ This should be complemented by a halt in potential cut in public or private provision of services such as electricity and water. Emergency shelters should be put at the disposal of the homeless, those living in informal settlements, overcrowded houses to self-isolate or at risk of multiple gender violence. Additional shelter places, such as hotels and empty facilities should be considered for that purpose. Specific attention should be paid to those living in precarious housing conditions, due to the extra difficulties to cope with isolation. Overcrowding and the lack of basic infrastructure in poor neighbourhoods should not be underestimated in order to achieve successful sanitary measures.

Economic policies and entitlements must be consistent with public health and human rights

It is of utmost importance to ensure that emergency economic policies adopted to keep the economy functioning are consistent with massive testing, physical distancing, isolation, health measures and caring for the isolated. In the current crisis, such initiatives should also be envisaged as a vehicle to ensure that social policies can be implemented through higher budgets, and production and maintaining supply chains of basic goods keep, rather than simply stimulate aggregate demand to the detriment of public health measures and human rights.

On another level, individual property rights (real, personal and intellectual) need to be aligned with other human rights. As such, property rights are not absolute and, if duly justified, States should be able to take the necessary economic and legal measures to more effectively face the current health crisis. In particular, no private economic entitlement and monopoly should trump the rights to health and life of all.

States stepping in, ensuring public management of services delivered by the private sector to guarantee effective, coordinated and non-discriminatory access to services, such as health care and care for older persons, should not only be highlighted but also seriously envisaged as a good practice to be considered immediately by all countries. In Ireland, for instance, the Government announced on 24 March 2020 that “for the duration of this crisis, the State will take control of all private hospital facilities and manage all of the resources for the common benefit of all of our people. There can be no room for public versus private when it comes to pandemic,” and that all COVID-19 patients will be treated free of charge.³⁴

In view of the life-threatening situation, including for medical staff, States should also envisage instructing or taking control some businesses that are able to produce masks and necessary gears to do so if this leads to a more effective protection of the public health. Owners should be compensated according to the respective constitutional standards. Along this vein, it is in times of such a global health crisis that there should be complete waiver of the Trade-

³³ Protection for those living in Homelessness, https://www.ohchr.org/Documents/Issues/Housing/SR_housing_COVID-19_guidance_homeless.pdf and Protecting Residents of Informal Settlements, https://www.ohchr.org/Documents/Issues/Housing/SR_housing_COVID-19_Guidance_informal_settlements.pdf

³⁴ The Journal.ie, Private hospitals will be made public for duration of coronavirus pandemic, 24 March 2020, <https://www.thejournal.ie/private-hospitals-ireland-coronavirus-5056334-Mar2020/>

Related Aspects of Intellectual Property Rights (TRIPS) stipulations with respect to medicines and other related technologies.³⁵

In this vein, it is worth reminding ourselves of article 15 of the international Covenant on Economic, Social and Cultural Rights recognizing the right of everyone “to enjoy the benefits of scientific progress and its applications” which has particular significance when combined with the right to life and health in the current context. The proposal made by Costa Rica to the WHO, to create a pool to collect patent rights, regulatory test data and other information that could be shared for developing drugs, vaccines and diagnostics, is therefore in line with international human rights standards.³⁶

These efforts need to be complemented by both a short and long term investment in public health and epidemiology research as well as cash injection in the public development of vaccine and drugs. All measures envisaged when it comes to employment should be compliant with international human rights standards and the ILO recommendation No. 205 on Employment and Decent Work for Peace and Resilience,³⁷ along with the ILO’s fundamental principles and rights at work. Adequate protection equipment should be made available for all, paid medical leave ensured and hazard pay for those supporting the fulfilment of economic social rights of the population as a whole, be it food or water and sanitation for instance, should be immediately considered. Sanitation workers should be a key priority as they play a critical role but are often absent from public policy measures.

Private and sovereign debt, and financial speculation

Private debt-servicing should be suspended for individuals who would otherwise be unable to cope with the public health crisis and be without income. During this period these loans should not bear interest. In this regard, a suspension of mortgage payment should be introduced, like it is already the case in a number of European countries and Argentina. In the same vein, those in need should benefit from individual and certain corporate tax cuts or delays.

It is also crucial to suspend for at least six months debt payments and services to the financial sector by low-income families and poor households to avoid that emergency cash transfers from States end up entering financial circuits rather than fuelling the real economy and helping the families. Those affected by the COVID-19 will very likely end up with huge health care bills and may go bankrupt or at least will go into debt, compromising a significant amount of their disposable income for a long time. Adequate mechanisms should be put in place to guarantee that they will be able to navigate through this Pandemic without being drained and literally destroyed.

³⁵ Along this vein, the Chilean Chamber of Deputies has recently approved a resolution for compulsory licenses for patents relating to Covid-19; countries should ensure access to and availability of drugs and vaccines if and when they become available. This includes invoking to trade agreements that include compulsory license and public non-commercial use to address the pandemic, see <https://www.keionline.org/32385>

³⁶ Ed Silverman, “WHO is asked to create a voluntary intellectual property pool to develop Covid-19 products,” Stat, 24 March 2020, <https://www.statnews.com/pharmalot/2020/03/24/covid19-coronavirus-costa-rica-intellectual-property/>

³⁷ ILO Recommendation no. 205, 2017; see also in complement ILO Guidelines on decent work in public emergency services, Geneva, 2018.

A moratorium on sovereign debt repayment for debt-distressed developing countries, countries with a majority of poor population (to avoid future debt distress) and countries heavily suffering from the economic fall out of the pandemic should be immediately implemented.³⁸ In this context, the announced debt payment relief of the IMF for its “poorest members” should be underscored.³⁹ The World Bank and the IMF have also urged bilateral creditors to provide immediate debt relief to the world’s poorest countries as they grapple with severe consequences of the rapidly spreading coronavirus. Yet, the number of countries struggling to repay their debts goes beyond the poorest ones and in need of debt relief and moratorium programs. This is a great opportunity for international financial institutions to operate based on the principles of human rights in line with the UN Charter they are bound to. If these measures are not implemented, indebted countries could face the need to default their payments to cope with the crisis, adding a new factor of financial instability at international level. A preventive relief can help in better managing this financial stress. In the current circumstances, claiming 100% of the credits would erode even more the fiscal space needed to cope with the health and economic crisis; IMF and WB statutes do not ask their managers such behaviour.

In this context, the announcement of the IMF to making \$50 billion available through its rapid-disbursing emergency financing facilities for low income and emerging market countries, 1/5 being at zero interest for the poorest members through the Rapid Credit Facility, is a welcome initial step.⁴⁰ These financial facilities need now to be extended to all low and middle-income countries that are not necessarily emerging market countries. Some days before, on 23 March, the IMF had announced that it was “standing ready to deploy its 1 trillion lending capacity”. But new loans, even at 0%, are not enough and grants are also needed to guarantee human rights implementation in the future. Another interesting proposal to consider is a major issuance of the IMF’s Special Drawing Rights (SDRs) as a key tool to attack the worldwide spread of the financial fallout.⁴¹

In this regard, international financial institutions (IFIs) and other creditors should urgently mobilize their financial resources to help countries combatting the pandemic,⁴² and ensure that the release of any loans or grants do not depend on the implementation of any type of conditionalities, such as austerity measures, privatization and structural adjustment, risking to negatively impact human rights.⁴³ Funds provided by IFIs and other donors to the countries

³⁸ Christina C. Laskaridis, Debt Moratoria in the Global South in the Age of Coronavirus, 4 April 2020, <https://developingeconomics.org/2020/04/04/debt-moratoria-in-the-global-south-in-the-age-of-coronavirus/amp/> and EUROAD and Daniel Munevar “A debt moratorium for Low Income Economies”, 27 March 2020 available at <http://www.cadtm.org/A-debt-moratorium-for-Low-Income-Economies>

³⁹ IMF, “IMF Enhances Debt Relief Trust to Enable Support for Eligible Low-Income Countries in the Wake of the COVID-19 Pandemic”, 27 March 2020 available at <https://www.imf.org/en/News/Articles/2020/03/27/pr20116-imf-enhances-debt-relief-trust-to-enable-support-for-eligible-lic-in-wake-of-covid-19>; see also <https://www.imf.org/en/News/Articles/2020/03/27/pr20114-joint-statement-by-the-chair-of-imfc-and-the-managing-director-of-the-imf>

⁴⁰ IMF, “IMF Makes Available \$50 Billion to Help Address Coronavirus,” 4 March 2020, available at <https://www.imf.org/en/News/Articles/2020/03/04/sp030420-imf-makes-available-50-billion-to-help-address-coronavirus>

⁴¹ Kevin P. Gallagher, José Antonio Ocampo, and Ulrich Volz, IMF Special Drawing Rights: A key tool for attacking a COVID-19 financial fallout in developing countries, 26 March 2020, <https://www.brookings.edu/blog/future-development/2020/03/26/imf-special-drawing-rights-a-key-tool-for-attacking-a-covid-19-financial-fallout-in-developing-countries/>

⁴² <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25732&LangID=E>

⁴³ https://unctad.org/en/PublicationsLibrary/gds_tdr2019_covid2_en.pdf

requesting their help to deal with the pandemic should be free of such conditions as these too often have negative effects on human rights.⁴⁴ If any, debt cancellation could be tied to substantive increase in domestic spending on social protection with emphasis on health, education and nutrition for instance.

Up to now, the G20 response has only been to address “risks of debt vulnerabilities in low-income countries due to the pandemic.”⁴⁵ This response is obviously far from what is needed in short and long term. As explained, the international community, including the UN, IFIs and institutional investors, needs to enact an immediate moratorium on debt repayment for low-income and in debt distress countries.⁴⁶

Debt restructuring and debt reliefs should be adopted by all creditors-multilateral, regional, bilateral and also private- and further expanded both in scope and scale to ensure that developing and developed countries have sufficient fiscal space to respond to the current crisis, in compliance with human rights standards including by injecting the resources needed in the health and social sectors. As the pandemic is a global crisis, and that can only be addressed through a coordinated and collaborative international approach, public as well as private creditors need to concede exceptional measures in a coordinated manner to ensure that the cost is shared collectively and especially by those who can bear it, in line with international obligations of assistance and international cooperation.⁴⁷ It should be a common consensus to limit private creditors’ claims on sovereign debts, especially in this extreme situation. International agreements, such as the United Nations Basic Principles on Sovereign Debt Restructuring Processes,⁴⁸ become more relevant than ever.

The international principle of debt sustainability implies a consideration for the lives of the debtor’s populations. Thus, human rights of the population should guide any decision when it comes to debt, hence a “choice” between “life or debt” becomes unequivocal. In other words, lenders must be prevented from claiming the full repayment of their credits should this impair the capacity of States to respond to the pandemic and fulfil human rights. Human rights oblige courts to allow debtor States to invoke necessity as a defense in sovereign debt disputes, the case for necessity has never been so strong. This also means that, in turn, States must avoid fully repaying their debts if this entails violating their own human rights obligations towards their populations.

When it comes to the financial sector, the lack of or weak regulation have been fuelling the anticipated crisis, allowing high speculation. According to some studies, capital outflows from

⁴⁴ A/74/178.

⁴⁵ “An immediate human rights response to counter the COVID-19 and the global recession ahead is an urgent priority,” says UN expert <https://www.gov.uk/government/news/g20-leaders-summit-statement-on-covid-19-26-march-2020>

⁴⁶ EURODAD and Daniel Munevar A debt moratorium for Low Income Economies, 27 March 2020, available at <http://www.cadtm.org/A-debt-moratorium-for-Low-Income-Economies>

⁴⁷ Letter from the Secretary-General to G-20 Members, 24 March 2020, <https://www.un.org/sg/en/content/sg/note-correspondents/2020-03-24/note-correspondents-letter-the-secretary-general-g-20-members> and UN calls for \$2.5 trillion coronavirus crisis package for developing countries, <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2315>

⁴⁸ United Nations General Assembly, A/RES/69/319, Basic Principles on Sovereign Debt Restructuring Processes, adopted on 10 September 2015 at the 102nd plenary meeting, <https://digitallibrary.un.org/record/804641?ln=en>

the emerging markets economy have exceeded \$70 billion since the beginning of the coronavirus outbreak.⁴⁹ In order to prevent capital flight, capital controls should be applied as global group of academics have called for.⁵⁰ In addition, as the African Economic Commission highlighted, “remittances and tourism are also being affected as the virus continues to spread worldwide,” export revenues and commodity prices are falling, FDI flows and investments are declining, domestic financial markets are tightening - hence job losses in the continent.⁵¹ To ensure financial flows are directed to useful investments, a ban on speculation and measures against excessive financial market sell offs, as already adopted at the national level by some countries, should be immediately considered by States worldwide.⁵² This should be complemented by taxes on transactions to prevent excessive cash outflows (e.g. share buy-backs⁵³) from listed (financial) companies and very short-term investments, and to fight potential illicit transactions to ensure a greater resource mobilisation and emergency response financing. Businesses operating in the finance sectors and beyond must comply with their international human rights obligations, including through their (portfolio) investments in developing countries.

While the COVID 19 economic impact is yet not visible at the same level in all countries,⁵⁴ developing countries highly dependent on supply chains to sustain the economy, are particularly suffering, with a possibility to affect many more in a globalized world context. It is of utmost importance addressing and avoiding bans on exports and import/export taxation to prevent drastic increase in food prices⁵⁵ and disruption of trade and supply routes. It is even more worrying to see that some governments are banning exports of vital medical supplies.⁵⁶ All above mentioned initiatives should be complemented by central banks

⁴⁹ Sergi Lanau and Jonathan Fortun, “The Covid-19 Shock to EM Flows,” Economic Views, Institute of International Finance, March 17, 2020, <https://www.iif.com/Publications/ID/3802/Economic-Views-The-COVID-19-Shock-to-EM-Flows>

⁵⁰ Open letter by academics and experts, “Developing and emerging countries need capital controls to prevent financial catastrophe” 24 March 2020 available at : <https://criticalfinance.org/2020/03/24/developing-and-emerging-countries-need-capital-controls/>

⁵¹ UN ECA, “ ECA estimates billions worth of losses in Africa due to COVID-19 impact”, 13 March 2020, available at: <https://www.uneca.org/stories/eca-estimates-billions-worth-losses-africa-due-covid-19-impact>

⁵² Myriam Vander Stichele “Finance must serve society during the COVID-19 crisis – not disrupt it”, 16 March 2020, available at: <https://www.opendemocracy.net/en/oureconomy/its-the-viral-excesses-of-finance-that-are-to-blame-for-current-volatility-the-markets-should-pay-for-covid-19/> ; “Interestingly, the Indonesian financial authority took action by improving rules to halt excessive financial market sell-offs and banning speculation on falling share prices (short selling, which has now also been banned in [some other countries](#))”. See also UNCTAD, *The Covid shock*.

⁵³ Nick Shaxson “Could the wealth in tax havens help us pay for the Coronavirus response”, 27 March 2020, “the largest 500 U.S. multinationals [spent over \\$1.5 trillion](#) in 2018 and 2019 just buying back their own stock” available at <https://www.taxjustice.net/2020/03/27/could-the-wealth-in-tax-havens-help-us-pay-for-the-coronavirus-response/>:

⁵⁴ Dominique Baillard, « pourquoi le coronavirus est une calamité »,.

⁵⁵ Torero Cullen “A battle plan for ensuring global food supplies during the COVID-19 crisis” available at <http://www.fao.org/news/story/en/item/1268059/icode/>: “Countries should immediately review their trade and taxation policy options - and their likely impacts - and work in concert with one another to create a favorable environment for food trade. Beggar-thy-neighbor policies, which popped up in the form of higher export taxes or outright export bans by some countries during the global food price crisis of 2008, must be prevented”.

⁵⁶ <http://www.ipsnews.net/2020/03/west-first-policies-expose-myths/>

implementing monetary policies to ensure foreign exchange rate stability and the liquidity of the commercial banks.⁵⁷

Fiscal policies to finance social justice

States need to reconsider their fiscal policies to finance social policies, and ensure that monetary policy is consistent with both of them.⁵⁸ Financing fiscal deficits can be legitimate if it ensures access to basic human rights for the population. That is, the announced lifting of the EU Stability and Growth Pact- preventing States to accumulate fiscal deficit higher than 3% of GDP is commendable.⁵⁹ Such initiative allows for the needed fiscal space and a better mobilisation of available resources to fight the pandemic and prevent its adverse impacts on human rights, whether as a result of economic downturns and/or of lockdown and restrictions having been put in place to response to the current health crisis. However, future debt distress has to be avoided and excessive private wealth should be tapped in.

It is unacceptable in human rights terms that a few people, and in particular the richest “1%”, benefit from crises through speculation and other means. In this connection, immediate measures should be taken to combat such financial manoeuvres, including when it comes to COVID-19 related products⁶⁰ and basic commodity prices. Price control systems of crucial items in the current context, such as medicines, alcohol, masks, water and food should be implemented to prevent market abuses.

It is of unfortunate concern that, despite the broad agreement on the need to strengthen the fiscal space of States, the World Bank continues to promote structural reforms during the Covid-19 outbreak, which, if done as in the past, will negatively impact human rights worldwide.⁶¹

Establishing a universal health coverage

States have committed to achieving “universal health coverage and access to quality health care” by 2030. More specifically, target 3.8 of the Sustainable Development Goals calls for achieving “universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential

⁵⁷ CEPAL, “América Latina y el Caribe ante la pandemia del COVID-19 Efectos económicos y sociales”, 3 April 2020, p. 14 available at: https://repositorio.cepal.org/bitstream/handle/11362/45337/4/S2000264_es.pdf

⁵⁸ Matthias Goldmann, “Borrowing Time, The ECB’s Pandemic Emergency Purchase Programme”, 27 March 2020, <https://verfassungsblog.de/borrowing-time/>

⁵⁹ Jon Stone “Coronavirus: EU agrees to lift spending limits on national budgets to fight Covid-19”, 23 March 2020 available at: <https://www.independent.co.uk/news/world/europe/coronavirus-news-eu-spending-limits-national-budgets-outbreak-a9419281.html> and Eduardo Febbro “El coronavirus fuerza a Europa a poner pausa al ajuste”, 26 March 2020 available at: <https://www.pagina12.com.ar/255268-el-coronavirus-fuerza-a-europa-a-poner-pausa-al-ajuste>

⁶⁰ Stop Private Speculation in COVID-19 Research, <https://www.the-scientist.com/news-opinion/opinion-stop-private-speculation-in-covid-19-research-67309>;

⁶¹ <https://www.worldbank.org/en/news/speech/2020/03/23/remarks-by-world-bank-group-president-david-malpass-on-g20-finance-ministers-conference-call-on-covid-19>

medicines and vaccines for all”.⁶²

The COVID-19 crisis has clearly demonstrated the need for the achievement of universal health coverage now. As we see, costs associated with health is a significant element for individual, household and communities to protect and receive treatment. In addition, underlying determinants of health, such as inequality, discrimination, poverty, and access to other rights such as the right to adequate housing, the rights to water and sanitation are also major reasons why millions of people are at life threatening risk.

In the same vein, it is worth highlighting that the Inter-Parliamentary Union (IPU) has urged legislatures to achieve universal health coverage by 2030. In October 2019 a resolution was adopted by consensus reaffirming the possibility for all countries to devote maximum available resources for this aim. It also called “on parliaments and parliamentarians to take all applicable legal and policy measures in order to help their respective governments to achieve (Universal health coverage) by 2030 and to ensure quality, affordable and accessible health care”.⁶³

Thus, States need to work nationally and globally together to put in place universal health coverage in line with international human rights norms, including the right to health and guidance provided by human rights mechanisms.

Realizing the right to social protection for all

Contrary to those claiming that the right to social protection is just “aspirational”, the current crisis has clearly showed that the fulfilment of this right cannot be further delayed. This would have avoided the panic responses of States to enact emergency measures to provide financial resources to many out of job, unable to go to work or at risk because of the pandemic. Social protection systems need to be aligned with the human rights framework as it offers the best holistic approach linking social, political, economical, cultural and civil issues because of the indivisibility, interdependence and interrelatedness of rights.

In my previous statement⁶⁴, I called for the immediate introduction of an emergency basic income for those whom livelihoods have been affected by the COVID-19 crisis and containment measures. However, we now need move forward on the idea of a universal basic income, especially in view of the transformation of jobs, the unavoidable need to transition into a green economy and other foreseen and unforeseen shocks to come, similar to the COVID-19 pandemic. Even when the virus is *not a great equalizer*,⁶⁵ anyone can be to some extent put in

⁶² General Assembly, A/RES/70/1, Transforming our world: the 2030 Agenda for Sustainable Development, <https://undocs.org/A/RES/70/1>. One can also refer to General Assembly, A/RES/67/81, Global health and foreign policy, adopted on 12 December 2012, <https://undocs.org/A/RES/67/81> and General Assembly, A/RES/72/139, Global health and foreign policy: addressing the health of the most vulnerable for an inclusive society, adopted on 12 December 2017, <https://undocs.org/A/RES/72/139>

⁶³ IPU Resolution, Achieving universal health coverage by 2030: The role of parliaments in ensuring the right to health 141st IPU Assembly Belgrade (Serbia) 13-17 October 2019, OP 1.

⁶⁴ "An immediate human rights response to counter the COVID-19 and the global recession ahead is an urgent priority", <https://www.ohchr.org/EN/NewsEvents/Pages/COVID-19-and-Special-Procedures.aspx>

⁶⁵ Alicia Ely Yamin, “Truths and Lies about this Pandemic: What are the lessons for health rights and social justice?,” GI-ESCR Blog, April 2020, available at <https://www.gi-escr.org/blog/truths-and-lies-about-this-pandemic-what-are-the-lessons-for-health-rights-and-social-justice>

situations of vulnerability thus, *ad hoc* and temporary measures should gradually evolve towards strengthened universal and just social protection schemes.⁶⁶

In terms of labour rights, it is important to remind that, as social isolation has been identified as an effective measure to prevent the spread of the disease, this policy must be respected by all employers while ensuring that wages are duly paid during the quarantine. States should prevent through laws and monitoring that (both public and private) employers do not force their employees to go to work under these circumstances, besides the possibility of working at home according to the nature of the work (whether this can be done remotely) and the personal and family circumstances of the workers (internet connectivity, care work at home, etc.).

Due justification of measures, accountability and participation

In order to apply emergency health policies, States are trying to use every resource available, including the use of security and military forces. Because of their capacity to operate in wide territories, this can be relevant for reaching isolated individuals and communities. Yet, in order to prevent, minimize and compensate human rights violations that might be committed by these forces while performing this new function, adequate accountability mechanisms need to be in place.

Nevertheless, as reminded by Special Procedures mandate holders, States should not abuse emergency measures to infringe human rights.⁶⁷ Any envisaged human rights limitations should be clearly justified, necessary, prescribed by law, proportionate and in line with international human rights standards and “strictly required by the exigencies of the situation”.⁶⁸ In addition, affected population should clearly be informed about the implications of measures and their scope, including in terms of duration, substance and geographic areas concerned.

Of particular importance is to include communities in the struggle against the pandemic, through transparency, information and participation. As stated by the United Nations Committee on Economic, Social and Cultural Rights, participation of the population in all health-related decision-making at the community, national and international levels is an important element of the right to health.⁶⁹ It should also be noted that contrary to limitation permitted to non-derogable civil and political rights in case of emergency,⁷⁰ there are no derogation permitted for economic, social and cultural rights.⁷¹

⁶⁶ Lena Lavinas “Usando a emergência para consolidar nossos programas de renda”, *Época*, 1 April 2020 available at <https://epoca.globo.com/artigo-usando-emergencia-para-consolidar-nossos-programas-de-renda-24330377>

⁶⁷ COVID-19: States should not abuse emergency measures to suppress human rights – UN experts, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25722&LangID=E>

⁶⁸ Siracusa Principles on the Limitation and Derogation of Provisions in the International Covenant on Civil and Political Rights Annex, E/CN.4/1984/4, <https://undocs.org/E/CN.4/1984/72>

⁶⁹ CESCR. General comment 14, parag.11

⁷⁰ International Covenant on Civil and Political Rights, article 4

⁷¹ CESCR, General Comment No. 3, see on “minimum core obligations” para 10 and subsequent General Comments such as General Comment No. 14, para 48.

Sanctions and human rights

Economic and financial sanctions should not come in the way of States obligation to respect, protect and fulfil human rights and global efforts to fight the pandemic. In this regard, a temporary lift should urgently be envisaged as a mean to ensure humanitarian relief and prevent further spread of as well as fight against the pandemic. This should be accomplished by allowing healthcare systems to survive and essential supplies to reach populations be it medical or food.⁷² In addition, it should be born in mind that such measures are in the interest of global efforts being deployed to contain the actual health crisis; the same approach should prevail when it comes to international economic policies. I have previously expressed⁷³ my concerns by the IMF's recent negative response to Venezuela's request for financial support to cope with the COVID-19 crisis. IMF's argument of the lack of “clarity” on Venezuela's Government's international recognition cannot be the basis for a decision that gravely endangers the whole of the Venezuelan population, and by extent the whole world. Such decisions may amount to gross violation of human rights and would require accountability from the institution and its deciders.

3. Resources and transformative change

Getting rid of the resource excuse

Too often, when discussing human rights and in particular economic, social and cultural rights, the first argument that comes from those responsible for ensuring their realization, is the lack of financial resources to realize these right.

Along this vein, governments emphasize on the “progressive realization” aspects of economic, social and cultural rights but omit to look at their core and immediate obligations and the positive obligations of States to generate, adequately allocate and make use of the maximum of their available resources to move as expeditiously and effectively as possible towards the achievement of the full realization of those rights.⁷⁴ However, the current health and economic crisis shows us two things:

First, some aspects of the economic, social and cultural rights of immediate effect do not require resources. For instance, the treatment of the COVID-19 patients cannot be denied based on gender, age, race, origins, class, caste, religion or belief, and other grounds under the prohibition of discrimination.

⁷² UN rights expert urges Governments to save lives by lifting all economic sanctions amid COVID-19 pandemic, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25769&LangID=E> and COVID-19: Economic sanctions should be lifted to prevent hunger crises – UN expert, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25761&LangID=E>

⁷³ “An immediate human rights response to counter the COVID-19 and the global recession ahead is an urgent priority,” says UN expert, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25732&LangID=E>

⁷⁴ Article 2 (1) of the ICESCR and Guiding Principle 9 of the Guiding Principles on human Rights impact assessment of economic reforms, https://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/40/57

Second, this crisis has demonstrated that money can be found, when there is a sense of danger and need. Governments and the international community are pledging to inject trillions of dollars; in fact, the G20 has promised to inject 5 trillion dollars in the global economy and “do whatever it takes to overcome the pandemic.”⁷⁵

This way of thinking is reactive rather than proactive. If even a fraction of that amount had been used proactively for the realization of human rights, to build a robust public health sector instead of subjecting it to marketization, privatization and cuts, to combat inequalities and poverty and the related underlying systemic issues, we would currently not be in such a dire situation.

States now need to invest massively in decreasing inequalities and poverty, and not just bailing out large corporations, banks and investors with no human rights nor social conditions attached. We know well that they will not immediately nor spontaneously share these resources with those in most need. Public investments should also aim at reaching small and mid-size enterprises, creating long-term sustainable employments, and prioritize the realization of human rights, in particular economic, social and cultural rights, and Sustainable Development Goals while taking into account the environment to avoid future climate change disasters.

States should immediately invest in the health sector and medical equipment (including regarding COVID-19) and reinforce social safety nets and decent incomes. As previously discussed, States should provide financial support to individuals and households in need, through in a first phase, an emergency universal basic income and/or helping employers paying their wage bills, depending on the circumstances, and in a second phase, establishing a solid and universal social security and protection system, allowing for the realization of an adequate standard of living. States should also invest in nutrition, housing, education sectors and local small-scale environmentally sustainable farming and agricultural production.

In practice, this approach does not prevent governments from operating as payers of last resort to cover companies' costs and pay salaries during the crisis, if needed.⁷⁶ But, again, this policy would be only justified if it is implemented to avoid retrogression in economic and social human rights. This crisis should not be used as an argument to accept new ways of cutting wages and other social rights from jobs, as some firms (and States) are doing. Considering the crisis as a big rehearsal, it is expected that home-office bias gains presence in the jobs to come. Again, this should only progress if it does not undermine workers' rights. Actually, now more than ever, it is urgent to address the relationship between employment conditions and the earning of an income (basic rent, people income or any other similar concept) worthy enough to fulfil basic rights.

One important aspect that is missing in the policy debates is the ultimate source of the funds to be injected into the economy. For sure, in the short term, the State will have to run a wide deficit as higher expenditure will not be checked by higher revenues (rather the opposite). But at a second stage, it will be necessary to reduce this deficit and face new payments on the public

⁷⁵ BBC, “Coronavirus: Asia shares up on multi-trillion dollar stimulus hopes”, 27 March 2020 available at <https://www.bbc.com/news/business-52058984>

⁷⁶ Federal Department of Finance of Switzerland, “Coronavirus: Federal Council adopts emergency ordinance on granting of credits with joint and several federal guarantees”, 25 March 2020, https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-78572.html

debt front. Given the exceptional situation, States could set a one-off wealth tax; but it can also undertake a more ambitious reform. Indeed, this is the right time to seriously engage in structural reforms for redistributive justice including progressive taxation reforms, where millionaires and billionaires and large corporate conglomerates are requested to contribute to the society in a proportional measure to their fortunes. This structural reform should include getting rid of the primacy of shareholder value to distribute profits to all stakeholders, as some companies have already promised⁷⁷, as well as more progressive national taxation systems and a global corporate taxation,⁷⁸ including the taxation of all subsidiaries of transnational corporations, tech and online businesses, and high-net-worth individuals.

States need to urgently and collaboratively tackle the issues of illicit financial flows, tax evasion and tax avoidance, that would put at their disposal huge amounts of money for the international community to tackle the crisis, for instance through the establishment of a global fund.⁷⁹ In particular, those individuals and companies avoiding and evading tax should be excluded from any public bailout actions.

Human rights impact assessments of economic decisions

Governments should undertake preventive measures and human rights impact assessments of the economic policies under consideration or implementation in order to:

a) Reach their goals -which should be to allow economy and finance to benefit all in the country, including by decreasing inequalities, redistributing productive resources, combating poverty and ensuring decent livelihood;

b) Evaluate *before* they are put in place conditions to minimise, and assess where possible, their negative impact on the human rights of the population, including those in situation of vulnerability or those that could be put in situation of vulnerability because of these decisions; and

c) Put in place benchmarks and indicators allowing for the monitoring of the impact of these reforms *after* they are in place in order to examine whether the decisions are reaching their objectives, if they need readjustments or rethinking.

In the context of a crisis in which governments are forced to make decisions under extreme time pressure, it may not be possible for the States to carry out a thorough human rights impact assessment prior deciding on its response to the crisis. In these situations, government are obliged to complete and publish a human rights impact assessment to the extent possible under the circumstances before taking any policy decisions or actions. Governments should also (a) publicly explain why it is unable to do a full *ex ante* impact assessment; (b) undertake a fully compliant *ex post* human rights impact assessment as soon as conditions allow; and (c) take

⁷⁷ <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>

⁷⁸ CESR, New human rights and fiscal justice initiative calls for global corporate tax reforms, available at <https://www.cesr.org/new-human-rights-and-fiscal-justice-initiative-calls-global-corporate-tax-reforms>

⁷⁹ U.N. to create global coronavirus fund, Norway says, 23 March 2020, available at <https://www.reuters.com/article/us-health-coronavirus-unitednations-norw/un-to-create-global-coronavirus-fund-norway-says-idUSKBN21A0Q4>

steps to remedy all adverse human rights impacts identified in either impact assessment as promptly as possible.⁸⁰ The Guiding Principles of Human Rights Impact Assessment of Economic Reforms is a tool at their disposal for this endeavour.⁸¹

Individuals and communities should have access to justice and the right to an effective remedy for actions and omissions in the design and implementation of economic reforms that affect their human rights, in particular economic, social and cultural rights.

4. An opportunity for a real global green change

We cannot afford getting back to business as usual. We know the COVID-19 pandemic is a shock calling for rethinking the economic, financial and social system we are living in to reduce inequalities among and within countries, as well as between men and women.

Both the COVID-19 crisis, and the already unfolding effects of climate change, demonstrate the fragility of our current economic and social arrangements. Our systems cannot cope under the strain of these events, from climate to pandemics, and experts predict that these events will become more frequent and severe.⁸² And when these events unfold, our economic and social systems appear to protect the adequate living conditions mainly of elites, while the majority of people are pushed into more precarious living conditions, from increased poverty, poorer health, precarious livelihoods and actual destitution; all of which make people much more vulnerable to mortality when disaster strikes. These are violations of a wide range of human rights, including the rights to life, health and to an adequate standard of living, and the continuous improvement of living conditions for all.

Yet the concerted action taken in the face of the COVID-19 crisis demonstrates that coordinated action and a rapid change in policy and practice is possible to face global challenges. Sudden drops in production and consumption associated with the current pandemic crisis, which have been accompanied by pollution and greenhouse gas emissions falling across continents, call into question our reliance on economic growth as a measure of progress and the health of our societies. At the same time, it highlights the important role of governments in protecting the livelihoods, and rights to an adequate standard of living – including rights to adequate housing, social protection, and health care – of people. Economies remain important, especially in providing the material underpinnings for a good life for all, through essential services, decent work, and adequate material goods. But they should serve the public good, and be guided by human rights principles, rather than relying on speculation, high private debt, unregulated consumption and degradation of natural resources in ways that increase our vulnerabilities and which our planet cannot sustain. For the same reasons, States should not provide subsidies (bail-outs) and other emergency benefits to sectors whose existence is in

⁸⁰ Guiding Principles of Human Rights Impact Assessment of Economic Reforms, A/HRC/40/57 (2019), para. 18.2.

⁸¹ A/HRC/40/57, https://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/40/57

⁸² World Economic Forum, “Coronavirus isn't an outlier, it's part of our interconnected viral age”, 4 april 2020, available at <https://www.weforum.org/agenda/2020/03/coronavirus-global-epidemics-health-pandemic-covid-19/> and UNEP, “How climate change is making record-breaking floods the new normal”, 3 March 2020, available at <https://www.unenvironment.org/news-and-stories/story/how-climate-change-making-record-breaking-floods-new-normal>

direct contradiction the Paris Agreement, including its 1.5 degree limit target, and have no chance of transition.

States have to save lives and economies so there are jobs for people at the end and basic goods and services can be delivered during the crisis– but this must be done wisely and responsibly with health impacts as the primary consideration. In this document a number of measures covering a wide range of economic, financial, monetary, fiscal, tax, trade and social policies were presented to contribute achieving these goals.
