

KEY CONCEPTS

HUMAN RIGHTS & ECONOMIC RECOVERY FROM COVID

Key Concepts is our series that breaks down complex topics for readers keen to unlock the power of human rights to build just and sustainable economies.



HERE, WE ANSWER:

What are the structural injustices COVID-19 has exposed?

What do we gain from looking at COVID-19 economic recovery efforts through a human rights lens?

What do human rights obligations say about actions needed to achieve a just recovery?

How can we hold governments and other powerful actors to account for actions in this area?

- COVID-19 has shown how critical it is to radically redesign the economic system in a way that guarantees everyone’s safety and security.
- The inequalities heightened and exposed by the pandemic have triggered calls from leaders to “Build Back Better”, and for a “Great Reset” of capitalism. Behind the rhetoric, what’s often being promoted is a rapid return to business-as-usual.
- How do we make this transformation a reality? Human rights standards give us a roadmap on what to aim for, and how to advance towards it.

1. What are the structural injustices COVID-19 has exposed?



COVID-19 has affected us all. It has reminded us how deeply interconnected we all are and how our collective choices put some of us at greater risk than others. As well as the tragic human toll of the virus itself, the pandemic is **laying bare the grave injustices of our current economic model**—from precarious working conditions and depleted public services to corporate capture and the unfair distribution of care.

The pandemic has **“supercharged” inequalities of all kinds. Economic disadvantage is translating into a key underlying precondition.** People living in poverty, particularly racial minorities and immigrants, are suffering the highest infection and mortality rates. Because they’re overrepresented in precarious employment, women’s livelihoods have been hit severely—often without adequate social protection.

Of the many dimensions of inequality that the COVID-19 pandemic has magnified, **inequality between countries** is one of the most glaring. It's also been one of the least effectively addressed.



The health emergency has created a worldwide economic shock on an unprecedented scale—triggering a global recession not seen since the Great Depression. Rich countries are throwing all the resources they can at the problem to weather the storm. But, low- and middle- income countries can't always do the same.

The World Bank estimates that **more than 160 million people have been potentially pushed into extreme poverty as a result of the pandemic.** Of these, **four in every five are in South Asia or Sub-Saharan Africa.** Levels of acute hunger worldwide have doubled—largely concentrated in two dozen countries in Africa, Latin America and Western Asia. COVID-related job losses have hit middle-income countries hardest. While these numbers might sound abstract, they have a very real impact on people's lives. For example, hundreds of thousands of women in Bangladesh and Cambodia have borne the brunt of supply chain disruptions—laid off without pay for their work after fast fashion brands cancelled orders.

Even starker is the global disparity in access to vaccines. Countries in Europe and North America hoarded limited stocks to ensure most of their populations were vaccinated in 2021, while those of the Global South faced waits up to several years. The result is widening health and economic inequalities between the rich world and the rest.

It's not that the resources needed for a just economic recovery are lacking. It's that the current system has facilitated their **extreme concentration in the hands of a powerful few.**

While workers worldwide lost an estimated \$3.7 trillion in income, **billionaires increased their wealth by \$3.9 trillion in 2020.** The wealth increase of the top 10 billionaires, alone, could pay for everyone to get vaccinated and stay out of poverty, according to Oxfam. This shows how important it is to radically redesign this system, to set up the economy in a way that guarantees everyone's safety and security.

2. What do we gain from looking at COVID-19 economic recovery efforts through a human rights lens?

There has been widespread agreement that a massive investment of resources—often referred to as “fiscal stimulus”—is needed to tackle the economic fallout of COVID-19 and address its impact on people’s lives and livelihoods. But there is less consensus about what this should look like. The precise package of measures necessary to ensure a just recovery will vary from country to country. But, in all cases, how governments finance such measures determines whether inequalities shrink or grow—and whether a life of dignity is realized or remains out of reach for billions.

We’re hearing calls to “Build Back Better” and for a “Great Reset” of capitalism from leaders across the public and private spheres. But, behind the rhetoric, what’s often being promoted is a rapid return to business-as-usual: a development vision in which private finance continues to play a powerful role, despite the widespread social and economic harms this power has caused.

A human rights lens **puts people first** in how recovery efforts are conceptualized. This gives us tools to push for the right choices when it comes to mobilizing and allocating resources.



Rights provide a holistic picture of wellbeing; all rights are interconnected and depend on each other. This points us towards investments in policy solutions that prioritize people’s wellbeing and respond to the specific needs of particular groups. It emphasizes that we all have a stake in ensuring that governments invest in policies that can tackle poverty, inequality, and other social problems.

Drawing on human rights standards and principles can help us determine how the resources necessary for such investment can be raised and distributed in a fair, just, and gender-responsive manner. The norms of equality and non-discrimination place an

obligation on governments to close the gap between different groups—rich and poor, women and men, different racial and ethnic groups. They give us a tool to demand redistributive policies; including by tackling the concentration of wealth at the top.

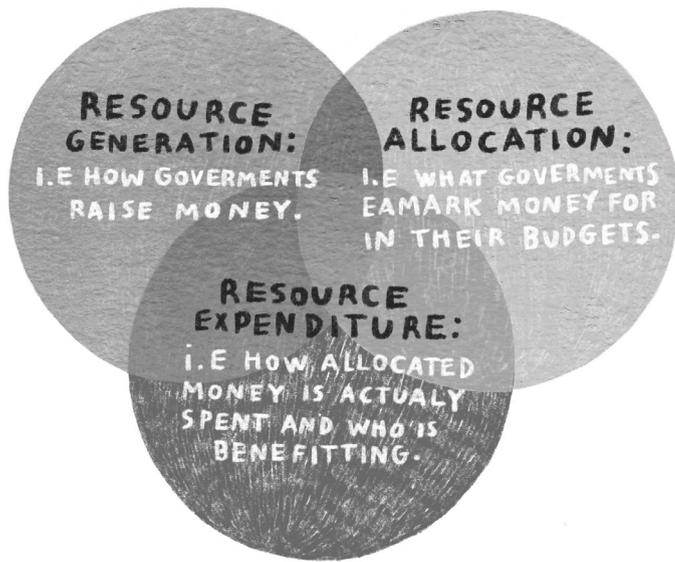
This can help redress the power asymmetries in related policy decisions. A rights-based approach to recovery demands greater transparency and accountability. This implies that decision-making spaces must be opened up to democratic deliberation and participation at all levels.

Thinking about recovery from the pandemic as a matter of human rights also emphasizes that **we all have a stake—and should be able to meaningfully participate—in policy debates and decision making on recovery efforts.**

3. What do human rights obligations say about actions needed to achieve a just recovery?

Economic and social rights affirm that *everyone* is entitled to the material conditions essential for dignity, freedom and wellbeing. This guarantees much more than a minimum level of basic subsistence. Under international human rights law, the “full realization” of economic and social rights must be “progressively achieved”.





Committing to these standards means that **governments can and should play a role in shaping the economic recovery from COVID-19. In particular, governments are expected to take concrete steps to guarantee people’s rights using “maximum available resources”.**

This gives us a tool to demand **continuous improvement**. It also gives us grounds to demand that **the needs of disadvantaged groups, facing systemic and intersectional forms of discrimination, be prioritized**. Equality has a specific—and transformative—meaning in human rights law. It must be “substantive”. This includes equality of outcomes, measured holistically by levels of rights enjoyment.

Importantly, these entitlements impose corresponding obligations on governments to:

- **Respect** peoples’ rights—by treating people fairly and humanely.
- **Protect** peoples’ rights—by taking action to prevent, investigate, and punish abuses committed by others, notably the private sector.
- **Fulfill** peoples’ rights—by taking steps to facilitate access to the goods and services that people need to realize their rights, including providing those goods and services when people can’t otherwise access them.

There’s wide agreement that the obligation has three dimensions to it:

- **Resource generation:** i.e. how governments raise money;
- **Resource allocation:** i.e. what governments earmark money for in their budgets; and
- **Resource expenditure:** i.e. how allocated money is actually spent and who is benefitting.

Human rights law directs governments to **raise money in a way that generates adequate or sufficient revenue**. This means it should be enough to finance the infrastructure, goods and services needed to guarantee rights. Taxation must also be **fair, progressive or socially equitable**. This means, for example, that poorer people don’t have a heavier tax burden than richer people and that the tax system doesn’t favor men over women.

To resource a just recovery to COVID-19, **systemic reforms that ensure those at the top pay their fair share are essential**. Concretely, this means:

- Ending over-reliance on “indirect” taxes like sales tax and VAT, which tend to take a bigger bite out of the income of poorer people;
- Increasing rates of “direct” taxes on the incomes of high earners and the most profitable businesses;

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- Introducing or boosting taxes on property, wealth, and other assets; and
 - Reforming the global tax system to prevent tax evasion and avoidance.

Of course, whether the revenue raised advances rights depends on how it is spent. So, tax policies and budgetary decisions must be analyzed together. There are several crucial areas of spending for governments to ensure a just recovery from COVID-19, that upends rather than reproduces the most severe inequalities. These include:

- **Long-term investment in strengthening public services** will be critical to build resilience for future crises—including climate change. Public services – such as health, education, and transportation – are essential pieces of infrastructure. They provide a foundation for a dignified life. Over the past few decades governments and international financial institutions, such as the International Monetary Fund (IMF), have supported chronic under-investment in and sweeping privatization of these services. We saw the dire consequences of this trend during the pandemic.

- **Strong social protection systems—ones that include comprehensive income support**—are critical to tackling poverty and inequality. They can reduce and redistribute unpaid care work, support workers in the informal economy, and compensate workers affected by economic transitions (for example to greener economies). The pandemic deprived millions of their livelihoods. Businesses were shuttered, supply chains disrupted, and people left without any means to earn an income during lockdown. In most cases, existing social protection systems were unable to provide the basic needs of those who could not work.

- **Ensuring business incentives promote responsible corporate conduct.** Governments have and will continue to devise business bailouts, forgivable loans, and other publicly funded incentives. In line with governments' human rights obligations, public funds should be used in ways which improve rights enjoyment, not prop up powerful corporations without requiring them to respect human rights. These should

The flexibility that poorer countries have to decide how they'll raise and spend money, often called their “fiscal space”, is often constrained by their weaker position in the global economy. Power imbalances in the global economic system present the most significant structural obstacle to a just recovery from COVID-19.

be designed in a way that protects workers, rewards responsible business conduct, and prevents abusive practices.

Of course, a country's ability to enact any of the policies above is affected by **its position in the global economy.**

These imbalances manifest themselves in loopholes that enable tax abuse; regulatory rollbacks to encourage foreign investment; and uneven access to credit, which creates debt traps for low and middle income countries. So, addressing the disproportionate influence of Global North countries and multinational corporations in global economic governance forums, such as the IMF, where decisions about regulating the financial system are made, is therefore critical.

Human rights law can help demand the reforms necessary to address these imbalances. Governments “extraterritorial obligations” (in other words, obligations to people beyond their borders). These obligations apply when governments act as members of international organizations (such as the International Monetary Fund or World Trade Organization) that can effectively force governments to take fiscal policy decisions which harm people's rights. Governments must take positions that push the organization to act consistently with their obligations to respect, protect, and fulfil people's rights.

4. How can we hold governments and other powerful actors to account for actions in this area?



In the COVID-19 context, opportunities for change are constantly shifting. Sometimes, they appear to be both opening and closing at the same time. On the one hand, the pandemic has laid bare the injustices of an economic system that in a way that can no longer be ignored. **This has prompted a fundamental rethink of the economy.** In particular, it has raised a basic question that does not get asked enough: **what (and who) is the economy for? We can draw on human rights to answer this question.**

On the other, many governments—influenced by powerful elites, foreign investors, and international financial institutions—remain committed to trying to restabilize, rather than reform, this broken system. Human rights considerations have remained marginal in debates about how to “build back better”. Challenging this demands that we be bolder and more creative in our strategies and tactics, including by:

a) Building the evidence for change

Rights-based analysis of the economic responses to COVID-19 involves more than “crunching the numbers” in a particular relief or recovery package. It should look at the broader system and show the links between decisions about raising and spending

money; the implications this has on goods and services; and what this means for people’s wellbeing. In our work, we’ve found that interdisciplinary collaboration is critical for this kind of systemic analysis. For example, we partnered with progressive economists at the Institute for Economic Justice to unpack how South Africa’s human rights obligations should guide its **COVID-19 response measures.** Evidence generated through activities like this is being used by partners and allies to feed into national budget processes, influence advocacy on specific policy proposals, and shape broader narratives that should shape economic responses to COVID-19.

b) Championing concrete policy reforms

Awareness about what human rights can concretely contribute to identifying policy solutions—beyond just setting out general principles—remains fairly low. Human rights standards are often described in the abstract. They use specialist terms and legalistic language. In some contexts, that’s important. But it can also feel disconnected from the hardships so many people are confronting every day. To achieve meaningful action, these **standards can’t just be the domain of human rights lawyers and experts.** We need to translate them into useful tools to support social justice activists in making clear demands for

change in policy and practice and winning broad support. Our [Recovering Rights](#) brief series is an example of how this can be done.

c) Moving beyond silos to build collective power

Building collective power—across various movements working for social justice—is critical to counter the deeply entrenched influence of beneficiaries of the status quo. [Creating and engaging in spaces for shared learning, collective strategizing, and joint advocacy](#) helps do this. At CESR, we’ve collaborated on a range of advocacy efforts vital to recovery efforts. We’ve also convened a series of [community calls](#) with partners and allies working across movements for a just recovery. Our blog series [Confronting COVID](#) invites partners and allies around the world to reflect on how their work is being shaped and shifted by COVID-19. These activities allow us to learn from each other's work; collectively reflect on shared challenges and opportunities; and explore ideas for staying better connected and engaged to advance common goals.

d) Proposing alternative visions

To inspire action, we need to propose something new, rather than just criticize what we have. In any big political change, new narratives and visions play a crucial role, in shifting public perceptions and expanding the window of what’s possible. There are a host of exciting, progressive visions emerging about how to rebuild or reimagine our economies

in the wake of COVID. At CESR, we believe that the human rights framework has something important and unique to add. Traditionally, human rights advocates have been better at documenting what’s wrong, rather than proposing a bold way forward. We’re trying to break that mold with our vision of a “Rights-Based Economy”: an economy whose primary purpose would be to guarantee the material, social and environmental conditions necessary for all people to live with dignity on a flourishing planet. It is designed to enhance, not replace, existing alternative visions premised on economic and social justice, based on the conviction that human rights can help to persuade, convince, analyze and hold accountable. The pandemic has made brutally clear that this shift is necessary; advocates should seize the moment to demonstrate that there is an alternative to the status quo.

Want to know more?

Here are more resources on this issue:

- [Recovering Rights](#): These collaborative briefings translate human rights principles into concrete policy recommendations to transform the economic system in the wake of COVID. They include issues like governments' obligation to invest "maximum available resources" on human rights, progressive tax measures, debt financing, gender equality, and more.
- [Confronting COVID blog series](#): A space for our partners and allies in different national contexts – from Scotland, to Uganda, to Brazil – to share how they are responding to the economic fallout of the pandemic, and what are the challenges and opportunities they see when trying to invoke human rights to transform our economic system for good.
- [Community Calls](#): transformative change will not happen unless different movements fighting for rights and justice come together. We experimented with a new format for sparking conversations online, gathering more than 50 partners and allies. The result? Valuable insights on the shared challenges of building a just recovery from COVID-19.
- [Freeing Fiscal Space](#): Article by Ignacio Saiz on how wealthier countries and international financial institutions need to lift the barriers their debt and tax policies impose on the fiscal space of low- and middle-income countries as a global public health imperative and a binding human rights obligation.
- [Rights-Based Economy](#): Report in which [CESR](#) and [Christian Aid](#) ask: what would it look like if we had an economy based on human rights? In this initial

vision of a rights-based economy (RBE), we argue that its primary purpose would be to guarantee the material, social and environmental conditions necessary for all people to live with dignity on a flourishing planet.

- [Economics & Human Rights in South Africa During COVID](#): Collaborative series between the [Institute for Economic Justice](#), [CESR](#) and [SECTION27](#), in which you can explore the link between economics and human rights during COVID-19 in South Africa. The factsheets cover key topics such as budgeting, unemployment and precarity, social protection, and public debt.

