Rights in the age of austerity:
lessons learnt from Ireland and Spain
OUTLINE

• Making rights relevant: three dimensions
• Austerity in context: Ireland and Spain
• Some lessons learnt and ways forward
Addressing three dimensions of the crisis from a human rights perspective

Causes

– eg, inadequate financial regulation, housing market inflation, commodity price speculation, widening inequality

Consequences

– range of rights affected, sectors most at risk

Responses

– states, international bodies, national HR mechanisms and civil society
Ireland

Assessing austerity measures in light of Ireland’s UPR pledge to uphold HR despite financial constraints
Ireland: causes of the crisis

A flawed model:
- lax regulation
- housing boom
- reckless lending &
  borrowing on foreign markets
- very low tax (esp corporate)
- tax evasion
Ireland: consequences

- soaring unemployment (now 15%)
- poverty rising, gains reversed, and inequality widening
- deterioration in health & education indicators
- foreclosure crisis and lack of social housing
- Vulnerable groups hit hardest (lone-parents, women, children, older people, migrants & asylum-seekers, Travellers, people with disabilities)
Ireland: responses

• Austerity budgets: spending cuts over progressive tax reforms
• NRP 10bn cuts affect key areas of social spending
• Limited avenues for HR accountability
  – ICESCR not incorporated, judicial resistance
  – HR bodies undermined
  – Constitutionalizing the deficit cap
  – Accountability beyond borders: ECB/EU/IMF
  – Lack of civ/soc say in design of measures
Towards a rights-based response

1. Human rights impact assessment
3. incorporate international human rights standards
4. progressive, non-discriminatory tax reforms
5. rights-based budget/guarantee social protection
6. ensure independence/funding of the new HREC
7. independent statutory body to address poverty
8. new targets for social housing
9. accountability/transparency in financial sector
10. creditor countries/institutions comply with ETOs
Spain

CESCR review: Geneva v. Brussels - making the case that austerity measures are retrogressive
Rising poverty: who’s at risk

Poverty Hazard Rate by Age and Sex as Percentage of the Total Population (2010)

- Females, 65+ years, 30.1%
- Males, 65+ years, 25.7%
- Males, less than 16 years, 23.6%
- Females, less than 16 years, 23.5%
- Females, 16-64 years, 17.8%
- Males, 16-64 years, 15.9%

Source: National Statistics Institute of Spain, 2011a
Widening inequality

Inequality in Spain and the European Union: Total Income of the Wealthiest Quintile to the Lowest Quintile (2005-2010)

Source: Eurostat, 2012b
Contrasting outcomes with policy efforts and resources
Resources cut where needed most
Policy alternatives: looking at revenue as well as expenditure

Tax Evasion vs. Budget Cuts in Spain (2012)

Potential estimated revenue gained by combating tax evasion: €38 Billion
National budget cuts 2011-2012: €27.3 Billion
Total revenue lost to tax evasion: €88 Billion
2011 Total Public Deficit: €91 Billion

Source: Ministry of Finance and Public Administrations of Spain, 2012 and GESTHA, 2011
Low tax, high inequality

Government Revenue and Inequality in Europe (2010)

Pearson Correlation Coefficient: -0.81

Eurostat, 2012b and 2012d
Lessons and ways forward

• Distilling and applying HR principles to causes, consequences and responses
• Challenging policy orthodoxies
• Pursuing effective avenues for accountability
• Linking to other channels of activism/advocacy

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