



Why **MES** with HUMAN RIGHTS?

Integrating **Macro Economic Strategies** with Human Rights



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Dedicated to Guy Mhone

Preface

Putting the interests of poor people first is the latest fashion in development policy. These days, “pro-poor growth” is an analytically unassailable concept. In September 2000, the member countries of the United Nations committed to halving poverty by 2015 and making durable progress in reducing other key markers of poverty, such as infant mortality and access of women to education. The actual economic policies that this new trend could legitimize will depend on what one believes are effective policies to address the problems of poor people.

Addressing the problems of poor people is not the same as alleviating poverty, which is the more standard formulation in professional development circles. Poverty is not a problem “out there,” subject to theorizing and solution by experts. It is a lived experience in which those living it have much to do about overcoming it. Thinking about the human rights of poor people can overlap quite broadly with thinking about the problems that poor people face.

This report documents a discussion between economists and human rights activists on the shared ground that addressing the problems of poor people is the right question. It was clear at the outset that development economists, including those who would be described as “progressive,” had interacted very little with human rights activists, who have been interested in safeguarding and enhancing economic and social rights. This report is part of a strategy to bring the two fields

together by staging a conversation (not exhaustive) among a small group of people who are partners of the Ford Foundation. The hope is that the documentation can spark further rapprochement and joint work between these two groups.

The dialogue explored the theoretical and policy dimensions of the following topics: trade policy and human rights violations, “neoliberal” economic policies and the progressive realization of human rights, informal sector labor and the right to livelihood, monitoring national budgets and the role of the state. One aim of the dialogue was to initiate a discussion about developing a joint framework embracing both human rights and progressive economics and strategies to challenge the dominant discourse in development and economic policy. Another aim was to enhance our understanding about the inherent limitations of both the human rights and progressive economic frameworks. In the course of discussing each topic, potential ideas for collaboration between the two fields emerged and these ideas are presented at the conclusion.

The report abounds in both ideas and references for further reading and action in both fields. There are quite a few examples of how the concepts discussed manifest themselves in current affairs.

We truly wish that this activity will serve as a starting point for further collaborative work and to be a source of critique and policy suggestions in respect to the current emphasis on putting the interests of the poor first.

Manuel (Butch) Montes

Regional Programme Coordinator

Asia Pacific Trade and Investment Initiative

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Acknowledgments

Why MES with Human Rights? draws from discussions at a meeting held in February 2004 in Geneva, Switzerland that brought together progressive economists and economic and social rights advocates to explore the intersections between human rights advocacy and economic policies.

Many people and organizations have been involved from the project's inception to this final publication. The meeting and the production of this report was funded by the Ford Foundation. Priti Darooka was instrumental in getting this project off the ground, conceptualizing the framework of the meeting and overseeing the logistics of assembling the participants. Ford Foundation program staff Manuel Montes, Larry Cox, Barbara Phillips, Natalia Kanem, Rekha Mehra funded this project and offered valuable insights throughout the process.

I would like to thank the International Human Rights Council for hosting the meeting in Geneva and especially Corrine Baustert for coordinating the logistics of the meeting.

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Aubrey McCutcheon, project consultant, helped structure and facilitate the meeting.

Tuba Onmus from Galatasaray University, meeting rapporteur, provided the detailed meeting transcript upon which this report is based.

Anita Nayar of the University of Sussex worked with me to distill material from the meeting transcript into the framework and initial draft of this report.

Mehlika Hoodbhoy, project consultant and contributing editor, conducted research on the boxes that provide examples of the how dynamics between the two fields manifest themselves in various countries. She compiled the references for future reading that are cited in the endnotes. Lastly, she oversaw the production and design of this report. This report was copy edited by Megan Backus.

Diane Elson of the University of Essex and Manuel Montes of UNDP-Sri Lanka provided comments on the numerous drafts of this report.

This report was designed by Susan Huyser.

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Contents

Introduction	10
International Trade Policy and Human Rights Violations	14
Neoliberal Economic Policies and Progressive Realization of Human Rights	20
Informal Sector Labor and the Right to an Adequate Standard of Living	24
National Budgets and Economic, Social, and Cultural Rights	28
Role of the State and Democracy	33
Follow-Up Activities	37
Endnotes	41
Participants	47

On the cover, top: WTO members are given police protection in the streets of Seattle, December, 1999. ©Sion Touhig/Corbis. Bottom: A Cambodian woman works in a rice field on the outskirts of Phnom Penh, September, 2004. ©Chor Sokunthea/Corbis. Cambodia plans to export rice for the European market after the National Assembly ratified the country's entry for membership of the WTO in August, 2004.

Introduction

The adverse impacts of globalization and the new global economy on people in both developed and developing countries have generated analysis across a spectrum of activists and academics. Theorists and activists are engaged in a process of understanding the wide range of social and economic insecurities and how they affect diverse groups of individuals. These include the insecurity of employment; the rise of both rural and urban poverty; increasing gaps between the rich and the poor; erosion of quality of life due to accelerating environmental degradation; government cutbacks on spending for social services; the privatization of public goods and services; setbacks to gender equality; and the increasingly vulnerability of children. Other adverse effects of economic globalization stem from structural and institutional factors that create problematic relationships between developed and developing nations and affect citizens in both types of countries. These effects include the growing deficits in the balance of trade; economic and political insecurities created by volatile capital mobility; imbalances of economic and political autonomy and functional sovereignty between developed and developing countries; and problematic increases in the power of corporations and of international institutions such as the World Trade Organization, the International Monetary Fund and the World Bank.

As part of the Ford Foundation's ongoing efforts to understand and advance economic, social and cultural rights, a meeting was convened in February 2004 to explore the intersections between human rights advocacy and economic policies. Specifically, the conversation examined both the barriers to and the opportunities for progressive economists (heterodox economists who challenge the mainstream perspective) and advocates for economic and social rights to work more closely together. Advocacy to promote economic policies that foster human development and activism that seeks to protect economic and social human rights appear to share a common end goal; to promote human flourishing, and to protect important human capabilities against

vulnerabilities and insecurities unleashed by global economic forces. They also are connected in more pragmatic ways. Human rights provisions to ensure adequate livelihoods and social protections have significant economic and financial implications; these protections require resources and involve costs. At the same time, critical economic¹ policies have significant impacts on economic and social human rights agendas: they shape the nature of the threats to economic security that confront different groups of people, and can potentially advance or hinder human rights agendas relating to the advancement of economic security. Activism under both frameworks is united in its opposition to a vision of economic development that maintains that serious sacrifices of human development, and substantive decreases of human flourishing, are the necessary costs.

This shared opposition provides a strong rationale and motivation for adherents of the two frameworks to understand the other's perspectives, strategies and goals. An informed understanding of the ways in which progressive economic policies conducive to human development can be integrated with rights-based protections guaranteeing human economic and social security across developed and developing nations appears urgent and useful.

Despite these affinities, activists working under one framework are often unaware of the possible conceptual and practical resources that the other might offer. Human rights activism attempts to monitor and remedy deprivations suffered by different groups of individuals, often without comprehending the macroeconomic issues and development policies that contribute to the human rights violations. Agendas for economic and social human rights often do not adequately address the impediments to the realization of rights that derive from the very structure of the global economy.

Even as human rights activism moves towards integrating analyses that focus on global economic structures and social conditions as they relate to both the violation and fulfillment of human rights, traditionally this framework tends to focus on juridical aspects and governance structures. A much more nuanced understanding of both the economic policy formulation and implementation processes seems particularly relevant to struggles for economic and social human rights. Struggles to secure economic and social human rights need to understand the degree to which the economic forces generating human rights problems are amenable to reshaping in the short and long term.

This understanding will help identify and clarify the sites of negotiation, collaboration and activism needed to bring about improvements in economic and social human rights.

Understanding economic issues is vitally necessary in order to assess the feasibility of particular human rights strategies across very different national and economic contexts, where both the scope of human rights problems and the resources to guarantee protections varies enormously. For example, as advocates for economic and social rights tackle economic and trade issues, it is important that they fully understand the implication of asking for human rights conditionalities in trade agreements. Depending upon the context and forum, very different tactics may be required to ensure that economic and social human rights be universally guaranteed to people who are situated in different grids of the global economy.

Similarly, activism grounded in a critique of contemporary economic policies could benefit from a deeper understanding of a human rights framework. Activists who embrace the critical economic framework are sometimes skeptical of the human rights framework. They tend to view it as overly individualistic, not grounded in an understanding of economic issues, or too deeply entrenched in “Western” norms, discourses and agendas. While such criticisms do have validity,² the categorical rejection of the human rights framework is unwarranted. The rich normative categories of human rights frameworks – of individual dignity and of entitlements that are not appropriately sacrificed to utilitarian calculations of social or economic good—provide useful ethical and political support to heterodox macroeconomic critiques. Economic processes are inherently complex and their consequences are difficult to predict with great accuracy. Macroeconomic policies deal with abstract aggregates of production, inflation, etc., and it is potentially productive to apply human rights principles to make macroeconomic abstractions more concrete. For example, even heterodox economic policies intended to promote human economic security might inadvertently create negative consequences at local, regional and national levels. In such cases, it could be effective to evoke the human rights framework to ensure that particular groups of individuals, lacking remedies for insecurities that threaten their survival and well-being, do not “fall through the development cracks.”

Moreover, in situations without transparent and democratic mechanisms to ensure sustained political attention to the insecurities suffered by different groups of individuals,

progressive economic policies are both difficult to generate and inadequate in bringing about reform. Human rights paradigms addressing structures of governance and legal frameworks, and issues of democracy and representation, should be integrated into struggles to generate and sustain more humane macroeconomic policies.

To explore and generate ideas regarding possibilities for collaboration between the two fields, the following questions were posed and discussed over the two-day meeting:

- What would an economic policy based on human rights look like? How can human rights norms influence trade agreements?
- In some countries, economic and social protections are eroding. How do we advocate for and protect these rights in the context of globalization for both developed and developing countries?
- How effective are human rights norms in critiquing structural adjustment and stabilization policies? What is the potential for the human rights framework to provide a more critical assessment of neoliberal economic policies?
- What are the limitations of the human rights framework in analyzing what happens to laborers who fall out of the formal sector into the informal sector, care economy and unpaid work?
- Both human rights and macroeconomic frameworks rely upon particular constructions of the family as a unit of analysis: both frameworks are committed to the social protection and preservation of the family. What are the limitations of relying upon this form of analysis vis-à-vis both devising economic policies and human rights advocacy strategies?
- What are the strengths and weaknesses of applying human rights principles to analyze government budgets? Is it possible to envision macroeconomic policies that generate revenue in order to raise the level of expenditure on economic and social rights rather than the reverse?
- Does the integration of economic, social and cultural rights with a progressive macroeconomic framework imply a strengthening of the role of the state?
- Why have human rights advocates and progressive economists not worked more closely together? Is it a logistical or a conceptual issue? What are some of the obstacles to developing a shared framework and how can they be overcome?

International Trade Policy and Human Rights Violations

Mainstream economic theory suggests that free trade will promote people's well-being. However, in practice free trade has not been a guarantee of national development. In the discipline of economics, market forces are understood as a means to advance efficiency but are admittedly not conceived of as a means to achieve fairness and justice. Rules governing markets are determined through political processes, which tend to skew the contours of these rules in favor of powerful economic and political interests. For example, the patent regime in the World Trade Organization

NEW PATENT LAW IN INDIA SPARKS PROTEST IN KENYA, MARCH 2005³

In March 2005, a controversial bill intended to make India compliant with the World Trade Organization's Trade-Related Intellectual Property Rights (TRIPS) patent regime⁴ was adopted by parliament. The new legislation amends the Patents Act of 1970 and requires the government to grant patents for all new products developed after 1995, the year India joined the WTO.⁵ Prior to amending the law and unlike most Western countries, India granted patents only for manufacturing processes and not for the final products. For over three decades, this has allowed Indian pharmaceutical firms to profit by developing new processes to produce medicines at lower costs than international competitors. India has captured about one-sixth of the \$48 billion global market for generic medicines. Opposition members of parliament called the legislation a "sell-out" to global drug firms that would result in small and medium firms being pushed out of business, thus reducing competition and causing drug prices to rise.

Health activists are worried that millions of HIV patients in the developing world, who can only afford anti-retrovirals (ARVs) produced by India, will no longer be able to obtain life-saving medicines and thus be denied their human right to benefit from scientific progress.⁶ Soon after the announcement that the draft law was under consideration in the Indian parliament, HIV activists and patients gathered outside the Indian High Commission in Nairobi, Kenya, where generic ARVs made in India cost US\$20 a month while patented ARVs go for US\$395. The Kenyan demonstrators were allowed to deliver a letter of protest to the Indian High Commission but were prevented from marching through Nairobi to the High Commission and thus denied the rights to freedom of assembly and expression. Indian officials in favor of the law assert that WTO regulations address this issue in that they allow for the export of drugs to countries that do not have indigenous manufacturing facilities.

POOR COUNTRIES TO LOSE TAX PROTECTION AT 2005 WTO MEETING⁸

East African countries are among poor states whose agricultural sectors are to lose out if a proposal for simple and predictable taxation on farm exports is included in a draft agreement that will be up for discussion when the 128 WTO member countries meet in Hong Kong in December 2005.

The proposal made at a WTO regional ministerial meeting in Mombasa in early March 2005—restricting the maximum duty on agricultural imports to 100 per cent—would effectively erode protective taxes in commodities like sugar which attract a 125 per cent import duty in Kenya.

Rice farmers would also lose protection if Europe and the U.S. push for a lower maximum import duty at the Hong Kong session in exchange for removal of direct subsidies to farmers. (The European Union spends €400 billion per year to subsidize agricultural production while the U.S. spent \$US1.3 billion, or about 72% of production costs, in 2003.) Rice presently attracts a surcharge of 75 per cent at ports of entry under the East Africa Customs Union and is the subject of a trade dispute between Kenya and Pakistan.

(WTO), as currently constituted, benefits the interests of the pharmaceutical industry to the detriment of consumers of drugs. (See box at left.)

The historical record shows clearly that in the early phases of their national development, North American and European countries became prosperous not through free trade but through protecting their nascent agricultural sectors by maintaining high protective tariffs and agricultural subsidies. Indeed, both the European Union and the United States continue to subsidize their agricultural sectors. It is ironic that the E.U. and the U.S. are pushing poor countries to dismantle their “protectionist” agricultural policies in favor of “free trade.” These demands are being made even at the risk of creating food insecurity in countries capable of growing enough to feed themselves.⁷ (See box above.)

A related issue centers on how the gains and losses from trade are divided among trading nations: specifically, how and if the losers will be compensated by the winners. In standard economic theory, winners are supposed to compensate losers, but in practice there are often no mechanisms to do so. As Lourdes Benería and Amy Lind point out: “The benefits of trade may be both positive and negative, since its impact on economic activity produces both winners and losers. Therefore, any discussion of trade liberalization is not a simple matter of taking a “pro-trade” or an

“anti-trade” position; rather, a substantive discussion requires an understanding of the nature of the process generated by trade liberalization and its likely consequences, so that appropriate policies may be developed and appropriate actions taken, particularly to compensate those negatively affected.”⁹ This concept of compensation, or redistribution between winners and losers, presents an potential entry point for human rights advocates and progressive economists to collaborate on developing a process of assessing the losers’ position and devising a mechanism to assure compensation for their loss. Such a mechanism must take into consideration the limited role of the state in being able to ensure that such redistribution occurs. (See section, pg. 33: The Role of the State.)

A useful starting point could be to collect empirical evidence that demonstrates how some groups of countries and certain groups within countries always lose out under “free trade” while others always gain. Such an analysis could challenge the concept of “well-being” in conventional trade theory that is essentially measured by increased levels of production and consumption. Such measurements often do not take into account that some communities broken down according to race, ethnicity, gender, age, sexuality, etc. do not benefit at the same rates expressed by national averages.¹⁰

Within the human rights framework there is growing body of work that is critical of the international trade framework.¹¹ Some argue that if an international trade policy leads to decreases in the level of national resources and public services that a state can provide, then the policy should be considered to be in conflict with human rights norms such as self-determination,¹² non-discrimination,¹³ progressive realization¹⁴ and non-retrogression.¹⁵ For example, this line of critique cites examples of how the rules of international trade, such as those of the World Trade Organization, do not give precedence to the rights of the people, and points out how the WTO’s underlying economic policies are antithetical to the fulfillment of human rights.

THE GENERAL AGREEMENT ON TRADE IN SERVICE (GATS) AND THE RIGHT TO EDUCATION¹⁶

GATS is a new international trade agreement,¹⁷ setting out the rules for trade in services, including for the education sector. The purpose of GATS is to facilitate increased trade liber-

alization across many service sectors. The WTO negotiations under GATS pose significant danger for the campaign to realize universal education for all.

The creation of GATS is major new chapter in international trade history. From the 1980s, trade in services grew significantly faster than the traditional trade in goods. This growth provided the impetus for adopting GATS, at least from the perspective of industrialized countries, which benefit from services trade considerably more than do developing countries.

One of the problems with GATS from a human rights perspective relates to the broad definition of "services." Numerous, varied services are covered under GATS, including education. Other sectors include energy as well as environmental, financial and telecommunication services. In all sectors with a human rights dimension, the tension between international human rights law and international trade law is likely to increase as GATS negotiations progress.

There is an important exemption in GATS: it does not extend to services provided "in the exercise of governmental authority." Articles 1(3)(b) and (c) of GATS set out this legal exclusion.

(b) "services" includes any service in any sector except services supplied in the exercise of governmental authority;

(c) "a service supplied in the exercise of governmental authority" means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

Despite the WTO's claims to the contrary, this exclusion appears very narrow. The WTO suggests this exemption covers social security schemes and any other public services, such as health or education, that are provided under non-market conditions. The key is the WTO's reference to "non-market conditions." For example, despite being contrary to international human rights law, many governments levy a fee for the provision of compulsory education services to its child citizens. The provision of "for fee" education services may therefore be on a "commercial basis," and "not in the exercise of governmental authority." Alternatively, a government may provide "free" compulsory education, but in "competition" with private "for fee" educational institutions. Unlike the exclusionary rule in GATS, this education would be supplied "in competition with one or more services providers," and not "in the exercise of governmental authority." Therefore, the exclusionary rule appears inadequate to protect domestic education sectors from international trade pressures under GATS.

The former [UN] Special Rapporteur [on the Right to Education] has commented that those in the human rights community are largely unaware of how GATS-related developments affect the right to education. "It was shocking for me to discover that around the Commission for Human Rights there is no knowledge nor open acknowledgement that education has become a traded service, and that 45 countries in the world, such as the People's Republic of China, have opened their entire education system, from pre-primary to university, to complete privatization. This means that what we have quite often at the Commission are exercises in empty rhetoric, if not worse, in hypocrisy, with government delegations reciting the right to education rhetoric but in practice, in their own law, education has been completely converted into a traded service, which means that there is no right, that only people with adequate purchasing power can buy education for themselves and for their children, but poor people simply can't get any access to education."¹⁸

The progressive economics community also offers a strong critique of international trade, finance and debt that focuses on the negative impacts on people and on the adverse implications for national development.¹⁹ This critique argues that international trade in its present form will prevent national development because rich countries are denying poor countries the ability to employ the protective mechanisms that underpinned their own successful development.

Both critiques speak to the vulnerabilities unleashed by global economic forces. Human rights advocates frame these insecurities as morally unacceptable. Historically, this moral outrage or “naming and shaming” has been more effectively utilized by Northern human rights organizations around civil and political rights issues and remedied primarily through existing legal and human rights mechanisms. At the 1993 UN World Conference on Human Rights²⁰ and at the 1995 UN Fourth World Conference on Women,²¹ women’s groups were able to successfully advocate that violations of women’s rights, such violence against women, should be characterized as human rights violations. It was not immediately apparent how applying the human rights framework would bring about systemic changes (in the absence of institutions) to provide redress from these violations (in the absence of laws) and meet the basic needs of women (in the absence of resources).

Progressive economists, on the other hand, emphasize the failure of economic policies and some suggest alternatives to the present economic order. There is potential to strategically link the critique of failed economic policies by framing the resulting outcomes as human rights violations. For example, when there are negative social and economic effects from economic stabilization programs, progressive economists could provide the data for and human rights activists could provide the legal rationale to make a case to hold the International Monetary Fund (IMF) accountable for the both the negative social and economic effects. At present, there is an absence of enforcement mechanisms regarding both international financial actors such as the IMF and bilateral donors,²⁴ who have a strong influence on the formulation of economic stabilization policies; and by extension the provision of public services such as health and education, accountable under international human rights law.

EXCERPT FROM HUMAN RIGHTS QUARTERLY, NOVEMBER 2004

Leonard Rubenstein, Executive Director, Physicians for Human Rights

As crucial as...systemic or institution-building strategies for promoting civil and political rights are, they are even more important in advancing economic, social and cultural rights because realization of those rights requires putting into place social systems and programs for education, health care and much more. [Recognizing,] of course, that the distinction between “negative” civil and political rights and “positive” economic, social and cultural rights is often artificial and overdrawn. On the one hand, many of the so-called negative rights that protect individuals from harm by the state, such as the prohibition on discrimination, also impose obligations on the state to eliminate discrimination from society.²² On the other hand, economic, social and cultural rights include protection from state interference with the right.²³ Promoting women’s rights in reproductive health, for example, requires both steps to protect women against domestic and sexual violence and to enable them to have power over decisions affecting their sexual and reproductive lives, and actions to assure appropriate health services for reproductive health and safe childbirth. Nevertheless, it is undeniable that the central feature of economic, social and cultural rights is their imposition of an affirmative obligation on states to meet basic needs, and this requires strategies and methods to assure that states do just that.

Neoliberal Economic Policies and Progressive Realization of Human Rights

A related question is how to track the formulation and implementation of economic policies in order to hold governments accountable for ensuring both progressive realization and non-retrogression of human rights obligations. Issues of accountability are particularly important given that the role of the state in providing social services is shrinking under neoliberal economic policies. (See section, pg. 33: The Role of the State.) In order to develop an effective strategy to monitor the potential and actual negative effects, the aims and consequences of these economic policies need to be thoroughly understood. As part of an effort to determine responsibility, human rights advocates and progressive economists could collaborate in studying to what extent there has been retrogression of key economic and social rights such as the right to education, the right to work, the right to an adequate standard of living and the right to health; and what aspects of trade policy caused the retrogression. They could also explore how neoliberal economic policies affect the ability of states to devote the maximum available resources²⁵ toward progressively realizing these rights.

With regard to economic and social rights, the international human rights law concept of minimum core content²⁶ was suggested as a possible approach upon which to develop a precise measure to determine if countries are fulfilling or violating human rights.²⁷ In addition, the entitlements framework, articulated by Nobel laureate Amartya Sen in his work on famine, was also cited as an alternative to the paternalistic charity-based approach to poverty alleviation. The entitlements framework positions people as holders of rights rather than possessors of needs to be met through charity. The entitlements approach could be combined with the work of the Committee on Economic Social and Cultural Rights on minimum core standards as an approach to operationalize these rights. For example, if a person falls below the agreed threshold, the failure to meet basic needs could be framed as a human rights violation.

However, establishing a floor is helpful but insufficient in the absence of determining at what level basic entitlements are considered met. Further, it was agreed that the entitlements approach does not adequately address the growing disparities between the rich and the poor. Progressive economists and human rights advocates could work together to determine how to change the current structural conditions that impede people from actualizing their capabilities by exploring the types of economic and social systems that are likely to deliver the minimum core standards.

AN ENTITLEMENT APPROACH VERSUS THE NEED FOR BUREAUCRATIC DISCRETION²⁸

A range of work has emphasized the importance of an entitlement or rights-based approach to the provision of public services and transfers on the grounds that this is empowering for the poor and socially marginalized....It has been shown that the provision of Universal Primary Education in Uganda, where many people were not used to being able to make any claim on public policy on an entitlement basis, has stimulated a sense of citizenship among the formerly excluded, and the sense of a stake in the relationship with state.²⁹ On the other hand, the general drift of much theory and practice on the management of public expenditure in the last twenty years had been to reduce statutory entitlements (defined as claims on the public purse established in law), and maximize bureaucratic discretion. The overall driving force behind this view has been the concern to ensure that fiscal discipline can be maintained under all circumstances. Having said this, it should be noted that all developed countries have extensive ranges of citizen entitlements in fields of education, healthcare and social protection—so the erosion of these rights to social provision has been partial. Nonetheless a tension between the two remains, reflecting different priorities and values—but also different understandings of what is meant by an “entitlement.”

The failure of the entitlements theory to deal with fairness and distribution led to discussion about the concepts of equality and justice. Some argue that the human rights framework does not directly address equality and instead interpret the goal of human rights as removing inequality rather than achieving equality. Human rights are based on the principle of non-discrimination, a negative commitment that obliges states to refrain from actions that discriminate against segments of their populations. Evoking discrimination has been useful in addressing some instances of gross forms of discrimination. There is disagreement as to whether or not the

concept of non-discrimination carries a positive obligation on states that requires them to provide opportunities that make up for the effects of past and existing forms of discrimination. Some argue that the basic elements of human rights such as dignity, respect, and equality *do* imply a positive, affirmative and dynamic component. It was argued that the obstacle is that those in power to interpret human rights law define and interpret human rights in a limited manner. To challenge this narrow interpretation, progressive economists and human rights advocates should work together to debate and define the positive content of equality. One approach would be to define the minimum standards in relative terms and then examine the empirical evidence for how well these standards are being met.³⁰

In order to participate as economic actors, people need to possess assets or have the means to acquire assets to bring to the market. But if a person is without the means to actualize their capabilities then they are unable to acquire and exchange assets (i.e. land, labor, water) in return for entitlements. This lack of ability to acquire assets raises several questions: Can economic, social and cultural rights be realized without a redistribution of wealth and land? Does the accepted notion that human beings are fundamentally equal imply that resources should be distributed among them on the same basis of equality? In addressing income equality, does this mean that everybody should receive the same income or does it mean that there should be a minimum standard for a basic income? Addressing the income equality questions raises the issue of whether the answer lies in equalizing up or in equalizing down. For example, data from Canada shows that the gap between male wages and female wages is closing, not because women's wages are increasing, but, rather because men's wages are falling.³¹

The social democratic prescription holds that the state should tax the rich to look after those who fall below the poverty level. At present, social welfare systems are collapsing or are being actively dismantled in many countries. Prescribing the minimum floor to achieve equality or dignity is problematic when more and more people are sinking into even lower levels of poverty.

At the 1995 World Summit for Social Development, heads of state committed to formulate national policies to eradicate absolute poverty by 1996.³³ The targets and

AMERICAN FRIENDS SERVICE COMMITTEE STATEMENT:

The Human Crisis of Welfare Reform³²

Today, at a time when the U.S. economy is booming for some people, and the well-to-do are gaining ever more wealth and income, this country has adopted policies that abandon the war on poverty, efforts toward equality of economic access, and greater diversity in all sectors of the workforce. These policies amount to abdication of the fundamental role of government "to promote the general welfare" as mandated by the U.S. Constitution. As a people, we have yet to learn that the general welfare is our common welfare. In fact, the term "welfare" is stigmatized and scorned.

This trend in U.S. policy is sharply expressed in the 1996 "welfare reform," the Personal Responsibility and Work Opportunity Reconciliation Act, which abolished Aid to Families with Dependent Children (AFDC) and replaced it with the Temporary Assistance to Needy Families (TANF). The previous system had serious problems, but the new law creates a system that does not address these problems, and does not support the goals its title suggests.

This legislation is covertly but profoundly racist and sexist, based on stereotyped images of people who receive means-tested government benefits and hostility toward immigrants and refugees, who are singled out for exclusion from access to public benefits. The congressional debate showed supporters blaming poor women for their poverty and willing to punish them and their children.

The legislation worsens the destructive effects of a global economy that drives wages of low-wage workers ever lower. By forcing more than a million mostly unskilled people into an overcrowded low-wage labor market, it will drive wage levels down and increase the gap between women's and men's wages. It does not provide adequately for the care of children whose mothers must work outside the home. At the same time it denies the value of the work of parenting. It makes little provision for addressing individual barriers to employment, such as domestic violence or illiteracy.

benchmarks contained into the WSSD Declaration³⁴ have since been replaced by the United Nations Millennium Development Goals³⁵ which include the goal of halving the proportion of people whose income is less than one dollar a day by the year 2015. However, there is debate about the MDGs and how far they can go to reduce poverty in the context of the prevailing free market economic system, which creates winners and losers, undermines social solidarity and limits possibilities for redistribution of resources based on frameworks other than the hand of the market.³⁶

Informal Sector Labor and the Right to an Adequate Standard of Living

Labor rights advocates have relied upon standards developed by the International Labor Organization as well as upon the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights. Human rights instruments identify the state as being responsible for providing an enabling environment to create opportunities for employment. When the state is the employer of the last resort, as a body that provides decent work at a living wage to anybody who wants to work and cannot get work elsewhere, it sets the floor for what the private market can provide. For example, public work programs as employment guarantee schemes are very important. When the state is not a direct employer it can still play a role through pursuing appropriate macroeconomic policies.

INDIA: THE ECONOMIC CASE FOR EMPLOYMENT GUARANTEE³⁷

The Congress-led United Progressive Alliance has committed to legislating an employment guarantee for both rural and urban areas, which would ensure at least 100 days of public employment for a member of poor and lower middle class households. A start is to be made with a Rural Employment Guarantee Act,³⁸ to be implemented first in 150 districts and then extended to the entire country within five years.

These commitments of the government are absolutely essential, both politically and economically. The collapse in employment growth over the past decade was a major contributor to the popular dissatisfaction with the previous government, and all the political parties involved in the new government had promised a redirection of economic policy to increase employment and revive agriculture.

However, neoliberal policies emphasize that it is the market that provides employment. It is therefore important to understand the impact of market-driven changes in the labor market on the role of the state in regulating labor conditions.

It was noted that, in recent times, market-led processes of production have led

ATTAC: AN INTERNATIONAL MOVEMENT TO CONTEST THE "RIGHTS" OF INVESTORS³⁹

Financial globalization increases economic insecurity and social inequalities. It bypasses and undermines popular decision-making, democratic institutions, and sovereign states responsible for the general interest. In their place, it substitutes a purely speculative logic that expresses nothing more than the interests of multinational corporations and financial markets.

The total freedom of capital circulation, the existence of tax havens, and the explosion of the volume of speculative transactions have forced governments into a frantic race to win the favor of big investors. Every day, one hundred billion dollars pass through the currency markets in search of instant profits, with no relation to the state of production or to trade in goods and services. The consequences of this state of affairs are the permanent increase of income on capital at the expense of labor, a pervasive economic insecurity, and the growth of poverty.

The general goals of ATTAC are:

- **To re-conquer space lost by democracy to the sphere of finance**
 - **To oppose any new abandonment of national sovereignty on the pretext of the "rights" of investors and merchants**
 - **To create a democratic space at the global level**
-

to more flexible employment and increased informalization of work. Many governments have deregulated⁴⁰ and privatized industry and this has led to an increased reliance on subcontracted and informal labor by both the private and public sectors. Subcontracted workers have far fewer legal rights and benefits than those in the formal sector.⁴¹ There is an urgent need for progressive economists and labor rights advocates to put pressure on governments to create macroeconomic policies that prioritize dignified employment by regulating industry and/or to provide jobs.

Labor rights advocacy is complicated by the extra-territorial operations of transnational corporations (TNCs): states have only limited ability to regulate their activities. In an economic system based on globally mobile capital, when labor regulations are better enforced in one country, TNCs seek out environments more conducive to profit-making. This mobility makes it difficult to hold TNCs accountable for labor rights violations. Alliances of advocates between and across countries in the global South and North are key to challenging the injustices in the world economy.

Recognizing the limitations of advocating for human rights given current neoliberal economic policies that favor the rights of capital, there is need for progressive economists and human rights advocates to work toward developing alternative economic policies at national and international levels. Contesting the rights of investors is no small task and will require states and international bodies to protect human rights even when this implies a diminution of or restrictions on the rights of capital.

The right not to be pushed into paid work is another important issue. Under Article 11 of the ICESCR there is a right to an adequate standard of living that is unconditional: it does not depend on work. This also touches upon concepts in ICESCR Article 1 (2) that states “in no case may a people be deprived of its own means of subsistence”⁴² implying that everyone (i.e. those who do not work as well as those who are unpaid for their work) has the right to a livelihood. For example, in many countries single parents are being denied benefits they previously had on the grounds that they could get benefits only if they undertake paid work. If work is being defined only in terms of paid employment, the right not to work needs to be considered. These discussions raised concerns about how the definition of work implied by human rights instruments pertains primarily to an industrial formal sector view of work. It was suggested that the above mentioned ICESCR Article 1 (2), regarding the protection of the right to subsist, might offer a broader framework than the right to work or to receive income: the former does not necessarily imply employment in the formal sector.

Article 11 of the International Covenant on Economic, Social and Cultural Rights “recognizes the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions.”⁴³ Some contend that this formulation contains an inherent male bias⁴⁴ and does not take into account unpaid work involved in social reproduction.⁴⁵ This raises the issue of gender: Is the state obligated to provide a livelihood for a woman who cares for her family and is not a wage earner but has primary responsibility for raising the next generation of citizens and workers?

HOMENET: AN ALLIANCE FOR HOME-BASED WORKERS⁴⁶

In 1994, members of various grassroots organizations met to form HomeNet. The long-term aim of HomeNet is to support the development of organizations at the grassroots level for home-based workers, so that they can work together to improve working and living conditions for home-based workers all over the world. The context in which HomeNet is working to develop organization and representation of home-based workers is one of growing informality, inequality and poverty. All over the world, the proportion of those working in formal, unionized jobs, with regulated pay and conditions of employment, is decreasing. More and more people, particularly women, are working informally—that is, without work security or social protection—frequently as home-based workers.

HomeNet's primary objective is the international campaign to make home-based workers visible, to recognize their contribution to the economy and to help them gain the legal protection extended to other workers. With the vast majority of women home-based workers still unorganized and usually invisible, and with any gains in organizing often wiped out by economic crises and natural disasters, the organizing process at the grassroots is very slow and difficult in comparison with the need that exists. It is this need which HomeNet seeks to address by helping its members to build alliances and by participating in meetings such as this to help mainstream the issues arising from the grassroots and pushing for ratification of the 1996 ILO Convention on HomeWork.⁴⁷

New organizations and networks of home-based workers are beginning to spring up in all parts of the world. For example, in Turkey, there is a new group that gained much momentum from a meeting held in Istanbul in January 2000 which brought together HomeNet, the International Center for Research on Women (ICRW), UNIFEM and ILO with home-based workers in Turkey, and with representation from other countries in the region.⁴⁸ In Latin America, there is a growing network that gained great visibility at the ILO Seminar on Homework held in Santiago, Chile in May 1999.

National Budgets and Economic, Social, and Cultural Rights

A promising area of civil society engagement has been in monitoring national budgets and offering alternative approaches to public finance. Working on budgets from the national to local levels is a useful vehicle to demystify the economic decision-making process. Experience has shown that it is important to examine the entire budget process instead of taking a piecemeal and sectoral approach. Many government budgets themselves are disjointed: they are cobbled together based on domestic political agendas and are dependent on trends in and upon funding cycles of overseas development assistance that usually do not coincide with national budget timetables. In 2002, a report from a meeting of human rights and civil society budget groups stated: “Transparency and access to both information and the budget process is a problem in most countries. Budget groups struggle with how much to engage the government on “the inside” and how much to remain a forceful critique on “the outside.” There are questions about how best to use limited technical capacity and how to use the technical work involved as a means of empowering grassroots-oriented activity. Budget groups struggle with the hard budget tradeoffs forced by limited public resources and, in developing countries, must battle against budget limitations imposed by the World Bank and IMF.”⁴⁹

Comprehensive monitoring involves tracking both how revenue, including tax revenue, and expenditure are distributed within a country. As noted above, the implications of trade liberalization on tax revenue are particularly important for developing countries. (See pg. 15: Poor Countries to Lose Tax Protection at 2005 WTO Meeting.)

While many citizens groups have engaged in these efforts, they do not necessarily employ a human rights framework. More recently groups working on economic and social rights, particularly interested lawyers, are becoming engaged in monitoring the budget process. However, budget analysis has yet to be effectively linked either to macroeconomic policy-making or to human rights mechanisms. The UN Special

Rapporteur on the effects of structural adjustment policies and foreign debt on the full enjoyment of human rights, particularly economic, social and cultural rights makes the connection as follows:

“The national budget is the foundation for public policy formulation and execution at the country level. The national budget also reflects a country’s economic position and is influenced not only by domestic savings and revenues but also by export earnings, the level of foreign debt and conditions attached to agreements with international financial institutions including structural adjustment and similar programs. A country’s ability to progressively realize economic, social and cultural rights hinges upon, in no small measure, its capacity to formulate an appropriate budget based on sound policy and participation, and to ensure its effective and efficient utilization.” It is therefore pertinent and necessary that considerations of human rights principles such as non-discrimination, equality and participation are integrated into all stages of the public budgeting cycles, which typically consist of formulation, legislative review, execution and auditing. In formulating the budget, the executive branch of the Government should ensure effective participation by stakeholders and constituencies in setting priorities, through wide, consultative processes.⁵⁰

Examples of this nascent collaboration include a conference convened by the Institute for Democracy in South Africa (IDASA), a member of the Ford Foundation-funded international budget network, that brought together human rights groups with those working on budgets and produced a report called “Promises to Keep Using Public Budgets as a Tool to Advance Economic, Social and Cultural Rights.”⁵¹ Another network, supported by a variety of organizations such as UNIFEM and private philanthropic organization based both in the North and South, examines government budgets from the point of view of gender equality. The U.S.-based International Network for Economic, Social and Cultural Rights (ESCR-Net) has also set up a budget network and held a meeting in March 2005 called “Linking and Learning Programme on Budget Analysis and Economic, Social and Cultural Rights.”⁵² These efforts demonstrate the potential of using the budget as a process to bring about economic and human rights literacy—rather than simply as a narrow, numerical exercise—and how such efforts can become powerful social and political advocacy and accountability mechanisms.

REVIEWING BUDGETS THROUGH A GENDER LENS⁵³

In some countries, women's groups have taken a holistic approach, by monitoring the entire expenditure and revenue frameworks through a gender lens. The Women's Budget Initiative (WBI) in South Africa originated in 1994 through a coalition of civil society activists and parliamentarians...It came out of a profound mobilization of South African women in the Women's National Coalition as apartheid came to an end. The Women's National Coalition, which drew women together across race, party and class, drew up a Charter for Effective Equality; the Women's Budget Initiative reflected the determination of the many newly elected women parliamentarians to see the Charter become a reality.

The Community Agency for Social Enquiry, which leads the WBI analysis, notes that the term "women's budget" may be something of a misnomer. The WBI does not advocate for a separate budget for women, nor does it confine its analysis to the figures in budget documents. It begins from an analysis of gender inequality and the policies that government is introducing to address this, and goes on to consider questions of policy, programs and performance. It is a form of policy monitoring and audit. The standard method employed is to take the government's policy framework sector by sector and go through the following steps: 1) review gender issues in the sector; 2) analyze the appropriateness of the policy framework; 3) examine the extent to which the allocation of resources has actually been utilized (e.g. how many male and female members of the population have benefited and at what cost); and 5) assess the longer-term impacts on male and female members of the population, identifying to what extent their lives have improved. This method is not explicitly framed in terms of rights, but it is certainly helpful for assessing the extent to which government's use of resources is promoting the reduction of discrimination against women and the realization of women's rights. The analysis produced by the WBI was used in preparing the report of the government of South Africa to the UN Commission on the Elimination of All Forms of Discrimination Against Women.

The importance of the need to conduct analysis across government ministries and departments was underscored. For example, in order to assess the effectiveness of laws on violence against women, it is essential to examine what else the state is doing to protect women from violent situations. This includes looking at employment schemes, the criminal justice system and the availability of primary and mental health care and shelters.

However, the impact of budget monitoring can be limited if it is approached only as a short-term initiative rather than as part of a long-term strategic process. Short-term monitoring only provides a snapshot of how money is being spent and generated. Some suggested that if progressive economists and economic and social rights advocates collaborate, together they can push governments toward articulating their

long-term national economic development strategies in terms of human rights goals. In addition to the change in rhetoric, a major goal is to determine how much income can be generated and how resources can be reallocated to fulfill human rights.

It was recognized that a government's budget process is not isolated from global economic forces. As mentioned above, many countries' budgets depend on overseas development assistance and the ability to collect taxes depends on how and how much income is generated from international trade. The increasing mobility of financial capital (i.e. transnational corporations) from one tax haven to another makes it difficult for any particular government to tax capital. Analyzing the ensuing loss of tax revenues to a country could be a complementary effort to monitoring a national budget.

One area of collaboration between progressive economists and human rights advocates could be to examine the concept of maximum available resources necessary for a state to progressively realize rights with a view to maximizing a country's ability to tax both capital and income. Hence, if taxation is regressive, it could be argued that it constitutes a human rights violation. Key reforms of how tax revenue is generated and distributed would go a long way toward putting economic policy at the service of protecting human rights.

Given that the budget is a political document, at both the national and global levels, it reflects the priorities of a state in relation to society and global economic actors. Despite its limitations, monitoring the budget can help illuminate the impact

SHARE OF CORPORATE TAX REVENUE SHRINKS IN THE U.S., 1953-2003⁵⁴

In the United States, total federal revenues for fiscal year 2003 amounted to \$1.8 trillion. The largest portion—almost 45%—was from individual income taxes. The next-largest share was social insurance and retirement receipts, at 40%. The remainder is made up of corporate income taxes, estate and gift taxes, customs duties, federal reserve deposits, and some miscellaneous receipts.

Over time, corporate taxes have contributed less and less to total tax collection. The burden of taxation has increasingly been shifted from corporations to the individual. In the past fifty years, corporate income taxes went from 31% of total federal revenues in 1953 to 7% in 2003. Individual income taxes have stayed relatively stable, accounting for 43% in 1953 to 45% in 2003.

of policy from the global to the local level. While authority to comply with human rights obligations rests with central rather than local authorities, the allocation of the central budget to the local budget might offer an opportunity for local communities to insist on the fulfillment of human rights obligations by the national government.

FOREST LABORERS AND BUDGET ANALYSIS—GUJURAT, INDIA⁵⁵

An example of budget analysis focused on the conditions of a specific group is the work of the Development Initiative for Social and Human Action (DISHA) which has taken up issues relating to forest laborers in the so-called “tribal” areas of Gujarat. DISHA is a membership organization, founded in 1985, devoted to unionizing and organizing forest laborers and building capacity in local organizations. It began its budget work in 1992, as part of a larger range of activities aimed at helping its members realize the right to work and the right to food. It required persistence to get hold of the statistics required and time to develop the knowledge to make sense of them and to produce a publishable analysis. But the pay-off was considerable. As reported by the International Budget Project in 2000, DISHA's capacity to advocate on behalf of its members was greatly advanced by taking up the task of budget analysis.

“Injustices to the Tribals” caused a great deal of interest. The newspaper carried box items of our findings that the government had made errors in totaling the figures. This created a very embarrassing situation for the finance minister. The under-secretary came rushing to our office to ask how we found the errors. The ruling party and the bureaucrats were caught unaware...The opposition parties took full advantage of our notes to press their own causes. Before each day's discussion we prepared more notes and handed them out to assembly members. Many of them became addicted to our notes. They were eager to receive them as early as possible to help them formulate their own arguments to create pressure on the government.⁵⁶

DISHA found that the Gujarati parliamentarians were hungry for data and analysis which would enable them to do a more substantial job in holding the state government to account. The budget notes were also sent to the press, academic institutions and voluntary organizations. Once they engaged, they were surprised at the extent to which they could influence and even shift the balance of power.

“The budget is prepared by a very small group of people in the bureaucracy. In order to maintain their monopoly, they don't want others to know its intricacies. Knowing the process of making the budget documents breaks this monopoly. NGOs must know this process. The more one knows about the finance of the state, the more one becomes confident and powerful.”⁵⁷

Now DISHA is training other community-based NGOs to analyze government budgets from the perspective of their particular concerns. The NGOs can then hold officials and elected representatives to account.

Role of the State and Democracy

The issue of how to hold states accountable and the very role of the state were cross-cutting and recurring themes of the discussion. Indeed, this is a long-standing and unresolved debate. In an 1996 speech former Brazilian President Fernando Enrique Cardoso told a South African audience: “In addition to its classic functions in the areas of law enforcement, health, education and foreign policy, the State must now meet increasing demands for more equity, more justice, a sound environment, and a greater respect for human rights. A more demanding society has to be matched by a more sophisticated State. A well-organized and efficient State will be better-placed to meet those demands, many of them springing from globalization [itself]. Furthermore, the State must also be well equipped so that, in negotiating the rules within which globalization is to take place, national interests are preserved.”⁵⁸

While human rights is a powerful tool to hold states responsible, neoliberal economic policies are forcing states to reduce their capacity to fulfill their social obligations, thereby weakening their ability to uphold human rights. In order to implement human rights or better economic policies, the role of the state needs to be re-conceptualized and the kind of state required needs to be formulated.⁵⁹ A key component of this rethinking is challenging the patriarchal and racist nature of the state.

Several examples illuminate this tension. The first deals with the diminishing role of the state vis-à-vis international agreements. For example, in order to achieve food security⁶⁰ a state may have to rely on imports or receive aid. However, upon entering into an international aid or trade agreement a country may be forced to accept genetically modified food, thereby having the opposite effect of depriving people of food, or of food of their choice. The effect of these agreements has eroded the capacity of the state to provide food security and a reorientation of agricultural production toward producing food products for the export market. Such agreements also foster increased reliance on volatile and unpredictable markets for food, thus further eroding the ability to fulfill a basic human right.

ZAMBIA AND GMO FOOD⁶¹

At the end of 2002, Zambia refused food aid⁶² in the form of genetically-modified (GMO) maize offered by the international community and five other Southern African countries. Despite the availability of water, at the time 98% of the expected crop failed due to drought and lack of irrigation infrastructure. Some three million Zambians were at risk of starvation. The then U.S. State Department spokesman said the Zambian government disregarded scientific evidence about the safety of the maize it provided.⁶³ President Levy Mwanawasa referred to the food as “poison” while maize producers worried that the GM maize might be used to grow new crops and thus alter the indigenous food chain. At the very same time, the Zambian government was supporting the production of high-quality vegetables for export to the U.K. and Europe. At the time of this writing, reliable statistics about the impact on at-risk Zambians were not available.

A second example relates to how past Structural Adjustment Programs and current Poverty Reduction Strategy Papers has led to drastic cuts in social spending thereby reducing the ability of the state to provide basic needs such as health care and education. Holding the state accountable becomes problematic when the hands of the state are tied by fiscal and monetary policies imposed by international financial institutions.

A third example addresses the collision between neoliberal economic policies and democratic political processes. In some countries neoliberal economic policies, such as requiring states to balance budgets and having central banks whose primary responsibility is to keep inflation low, are directly incorporated into constitutions. However, these provisions are at odds with other sections of the constitution that guarantee people's rights to employment and social services. The South African constitution presents an example of this paradox. South Africa's constitution directly incorporates international human rights principles along with a heterodox development strategy intended to realize the values embedded in the constitution. The government later replaced this policy with a neoliberal economic package under pressure from global economic forces.

It was noted that since 11 September 2001 there has been a marked international trend toward prioritizing spending on security and the military over social programs.⁶⁴ This has weakened the ability of states to meet their social obligations and has

simultaneously made them more militaristic and repressive.

The aforementioned examples raise the question: What kind of an economic system is needed to realize universal values? One proposal was to initiate a process of working in a specific country to develop an economic model that responds to the ideals of its progressive constitution. This is a challenge, given the record of civil and political rights violations in countries that have pursued state-led over market-based policies. Given that the state-socialism paradigm failed to develop a viable alternative economic system, such an exercise is a formidable challenge in both intellectual and

WORLD SOCIAL FORUM, CALL FROM SOCIAL MOVEMENTS⁶⁵

Call from Social Movements for Mobilizations Against the War, Neoliberalism, Exploitation and Exclusion: Another World is Possible

We are social movements gathered at the 5th World Social Forum. The great success of the plural and massive participation in the Forum gives us the possibility and the responsibility to organize more and better our campaigns and mobilizations, to expand and strengthen our struggles.

Four years ago the collective and global call for ANOTHER WORLD IS POSSIBLE countered the assertion that neoliberal domination is unavoidable as well as the acceptance of the “normality” of war, of social inequalities, racism, castes, patriarchy, imperialism and the destruction of the environment. As people take this truth as their own, their strength becomes unstoppable and it starts materializing in concrete actions of resistance, demands and proposals.

Therefore what is new about our proposals is the outbreak and the scale of the social movements in all continents and their ability to build within diversity new convergences and common actions at the global level. In that frame, tens of millions of men and women were mobilized in all corners of the world for peace, against the war and the invasion led by Bush against Iraq. Summits like the G8 and the WTO, the IMF and the World Bank, where the few intend to decide for everybody, were questioned and de-legitimized by the action of social movements. Popular struggles in defense of nature, the rights of people and the common good and against privatization, such as in Bolivia, Uruguay and other nations, demonstrated the possibility of creating a crisis for neoliberal domination. New spaces for political and social struggle were opened to us.

Neoliberalism is incapable of offering a dignified and democratic future to humanity. Nevertheless, nowadays it again takes the initiative responding to its crisis of legitimacy with force, militarization, repression, criminalization of social struggles, political authoritarianism and ideological reaction. Millions of men and women suffer every day. We want here to remember the war in the Congo that has already caused four million victims. For all that, another world is not only possible, but necessary and urgent.

practical terms. Both human rights advocates and heterodox economists need to work together to respond to the World Social Forum assertion that “another world is possible” based on a democratic, human rights approach to economic policy. The engagement of civil society in this process of democratization is very important.

FOLLOW-UP ACTIVITIES

The following action-oriented proposals for collaboration between human rights activists and progressive economists are based on conversations held and ideas generated during the dialogue. They are divided into three categories as follows: general themes; issues-specific topics; and mechanisms to enhance cross-field collaboration.

General Themes

- Explore the human rights implications of trade and economic policies.
- Develop legal arguments grounded in a human rights framework to challenge neoliberal economic policies.
- Explore how progressive economic proposals can incorporate and be strengthened by human rights discourse.
- Explore how neoliberal economic policies impede the maximum available resources necessary for a state to progressively realize human rights.
- Work toward developing alternative economic policies at national and international levels.
- Research the structural conditions necessary for people to actualize their capabilities by exploring the kinds of economic and social systems that are likely to deliver the minimum core standards.

Issue-Specific Topics

INTERNATIONAL TRADE POLICY AND HUMAN RIGHTS VIOLATIONS

- Mobilize empirical evidence to demonstrate who wins and who loses from free trade and develop a process of assessing the losers' position and assuring compensation for their loss.

- Generate disaggregated data on winners and losers from trade based on human rights classification of vulnerable groups such as women, children, ethnic, racial, religious and sexual minorities, migrants.
- Design compensation schemes to address past and present discrimination.
- Analyze outcomes of trade using principles of self-determination and non-discrimination.
- Conduct a review of the General Agreement in Trade in Service (GATS) to identify intersections between GATS and implementation of economic and social rights.
- Publicize the work of United Nations Special Rapporteurs and Independent Experts and contents of General Comments citing these texts in critiques of international trade policies and in illustrative case studies.
- Critique economic and social effects of failed IMF stabilization programs as human rights violations.
- Review World Trade Organization agreements from a human rights perspective analyzing the benefits to industry versus the protection of people's rights.

NEOLIBERAL ECONOMIC PRINCIPLES AND PROGRESSIVE REALIZATION OF HUMAN RIGHTS

- Conduct studies that demonstrate how economic policies contribute to retrogression of economic and social rights.
- Conduct studies that illustrate how economic policies affect the maximum available resources that can be devoted to economic and social rights.
- Apply the entitlements framework to further elaborate on the concept of minimum core content.
- Define the positive content of equality.
- Quantify the economic and human rights impacts of dismantling of social welfare systems.
- Contribute analysis to the Millennium Development Goal debates—Do the MDGs fulfill human rights and are they economically feasible?

INFORMAL SECTOR AND THE RIGHT TO AN ADEQUATE STANDARD OF LIVING

- Examine specific economic and social rights and identify related state obligations and develop indicators based on ILO conventions that measure states' effort to

meet the obligation to realize a person's right to work.

- Understand role of market in determining state's ability to uphold labor rights standards.
- Define the role of state as provider of dignified work and protector of informal-sector workers and quantify potential benefits of providing, and cost of not providing, guaranteed employment schemes.
- Examine the prevailing definition of work for a formal-sector bias.
- Conduct gender analysis of costs of social reproduction and integrate the findings into social and economic policies.

NATIONAL BUDGETS AND ECONOMIC, SOCIAL AND CULTURAL RIGHTS

- Advocate for increased transparency in national budget process.
- Advocate for increased transparency in details for loan packages from the World Bank and International Monetary Fund.
- Explicitly link human rights analysis to all stages of the public budget process.
- Link gender analysis derived from budget review to CEDAW reporting at the national level.
- Push governments to articulate development goals in human rights terms that can be monitored.
- Reprioritize allocations to realize economic and social rights.
- Analyze the impact of tax policies vis-à-vis generating the maximum available resources for fulfilling human rights obligations.
- Improve capacity for local-level budget initiatives.

ROLE OF THE STATE AND DEMOCRACY

- Bring together people working on governance and human rights with progressive economists to rethink the role of the state and imagine the kind of state required to implement human rights and better economic policies.
- Initiate a process of working in a specific country to develop an economic model that responds to the ideals of its progressive constitution.
- Explore the human rights and economic impact of the so-called "war on terrorism."

Mechanisms for Cross-field Collaboration

- Establish a think tank to research case studies and develop proposals that bring together human rights and progressive economics frameworks.
- Develop a systematic process of sharing ideas among a broad network of human rights advocates and progressive economists.
- Develop a strategy to incorporate joint analysis into advocacy strategies used in human rights bodies at the local, national, regional and international levels.
- Develop popular education materials.
- Ensure that progressive economists are invited to human rights meetings/conferences and vice versa.
- Train human rights advocates on economics and vice versa.
- Influence academic curriculum to include both frameworks.
- Ensure a gender perspective and an inter-sectional lens to all collaborative work.

Endnotes

- 1 There are two types of economic policies: “macroeconomic policies” that are meant to affect the national or global economy as a whole and “microeconomic policies” which affect individual households and firms directly. In recent years, the most problematical issues generated by globalization trends have been in the macroeconomics area.
- 2 Balakrishnan Rajagopal, *International Law from Below: Development, Social Movements and Third World Resistance* (Cambridge, U.K.: Cambridge University Press, 2003).
- 3 Compiled from BBC News on-line. See “India facing new drugs patent law,” 18 March 2005; “HIV Kenya protest at patent law,” 18 March 2005; and “India backs cheap drug clampdown,” 22 March 2005 <<http://www.news.bbc.co.uk>>; and The New York Times on-line “India tightens law, alarming advocates for AIDS patients,” 23 March 2005, <www.nytimes.com>.
- 4 The Agreement on Trade Related Intellectual Property Rights (TRIPS), 15 April 1994, Annex 1C to the Marrakech Agreement. Reprinted in *International Legal Materials*, vol. 33, at 81.
- 5 Several WTO agreements allow for “special and differential treatment” for developing countries that give them extra time from the date of WTO ascension, to come into compliance with WTO rules. India’s 2005 move on the Patent Law came precisely ten years after India’s ascension. For an overview of developing country issues, see <http://www.wto.org/english/thewto_e/whatis_e/tif_e/utw_chap6_e.pdf>
- 6 International Covenant on Economic, Social and Cultural Rights, adopted 16 December 1996, G.A. Res. 2200 (XXI), U.N. GOAR, 21st Sess., Supp. No. 16, U.N. Doc. A/6316 (1996), 999 U.N.T.S. 171 (*entered into force 23 March 1976*) [hereinafter ICESCR.] Article 15(1)b.
- 7 Ha-joon Chang, *Kicking Away the Ladder: Development Strategy in Historical Perspective*, (London: Anthem Press 2002).
- 8 Text compiled from *The East African Standard* (Nairobi), “WTO: Poor Countries to Lose Tax Protection,” 7 March 2005 and *OneWorld US*, “World’s Poor Need Fairer Trade Rules, Reports Aid Group,” 11 April 2005 citing an Oxfam International campaign “Global Week of Action for Trade Justice.”
- 9 Lourdes Benería and Amy Lind, “Engendering International Trade: Concepts, Policy and Action,” Gender, Science and Development Programme and the United Nations Development Fund for Women (UNIFEM), *GSD Working Paper Series No. 5*, July 1995.
- 10 As the Special Rapporteurs on Globalization have pointed out: “The Universal Declaration [of Human Rights] and other human rights instruments are unequivocal in their declaration that all

persons are equal, and that the right to non-discrimination is a basic and fundamental human right. The grounds upon which non-discrimination is prohibited are also clear, and have been expanded over time to accommodate new forms and expressions of an insidious practice that unfortunately is as old as humanity. Especially important are the prohibitions of discrimination based on race, color, gender, religion and ethnicity. Indeed, with regard to certain of these prohibitions, it has been argued that they enjoy the status of *jus cogens*.” See E/CN.4/Sub.2/2000/13 *Globalization and its impact on the full enjoyment of human rights*, Preliminary report submitted by J. Oloka-Onyango and Deepika Udagama, in accordance with Sub-Commission resolution 1999/8, 15 June 2000 at ¶25.

- 11 Various UN Special Rapporteurs on the rights to education, housing, water and health and Independent Experts on globalization, structural adjustment and debt have usefully articulated the linkages between trade, development assistance and social and economic rights, but their prescriptions are often ignored.
- 12 ICESCR, Article 1(1).
- 13 ICESCR, Article 2(2).
- 14 ICESCR, Article 2(1). See also General Comment 3 (1990), The nature of States parties obligations (Article 2(1) of the International Covenant on Economic, Social and Cultural Rights, ¶9.
- 15 Ibid.
- 16 Text from “Whither Education? Human Rights law versus trade law,” from the Right to Education website <<http://www.right-to-education.org>>.
- 17 The General Agreement on Trade in Services (GATS), 15 April 1994, Annex 1C to the Marrakech Agreement. Reprinted in *International Legal Materials*, vol. 33, at 67.
- 18 Katarina Tomasevski (then Special Rapporteur on the Right to Education), Interview in *Human Rights Features*; 5-12 April 2004 from the Right to Education website <<http://www.right-to-education.org>>.
- 19 See Ha-Joon Chang, *supra* note 6.
- 20 United Nations, General Assembly A/CONF.157/23, *Vienna Declaration and Programme of Action*, 12 July 1993, ¶36-44.
- 21 United Nations, General Assembly A/CONF.177/20, *Report of the Fourth World Conference on Women*, 17 October 1995, also at <<http://www.un.org/esa/gopher-data/conf/fwcw/off/a—20.en>>.
- 22 Convention on the Elimination of All Forms of Discrimination Against Women, *adopted* 18 December 1979, G.A. Res. 34/180, U.N. GOAR 34th Session, Supp. No. 46, U.N. Doc. A/34/36 (1980) (*entered into force* 3 September 1981).
- 23 Social, economic and cultural rights have been interpreted to include three sorts of state obligations. In the specific context of the right to health, ICESCR General Comment No. 14 ¶33 states: “The obligation to *respect* requires States to refrain from interfering directly or indirectly

with the enjoyment of the right to health. The obligation to protect requires States to take measures that prevent third parties from interfering with article 12 guarantees. Finally, the obligation to *fulfill* requires States to adopt appropriate legislative, administrative and budgetary, judicial, promotional and other measures towards the full realization of the right to health.”

- 24 For a discussion of the limitations of international human rights law vis-à-vis holding bilateral donors accountable for retrogression of the right to health in recipient countries, see Mehlika Hoodbhoy et al, “Exporting Despair: U.S. Restrictions on Foreign Healthcare Funding, The Case of Kenya and International Human Rights,” *Fordham International Law Journal*, forthcoming Fall 2005.
- 25 ICESCR, Article 2(1). See also General Comment 3 (1990), *The nature of States parties obligations (Article 2(1) of the International Covenant on Economic, Social and Cultural Rights*, ¶10.
- 26 Ibid. As explained in Module 8: Defining the Core Content of ESC Rights—Problems and Prospects in *Circle of Rights*: “The ‘minimum core content’ of a right is the intangible baseline level that must be guaranteed for all persons in all contexts. It indicates a minimum below which no government should perform, even in unfavorable conditions. Some elements of the core content may be limited in special circumstances, but the minimum core content establishes a basic minimum for the action of all governments.”
- 27 However, there is disagreement with how this concept can be applied. “Some who advocate for defining minimum core content argue for setting a universal standard for the enjoyment of some rights—for example, setting the number of square meters necessary for the guarantee of adequate housing or the number of calories necessary for the right to food. However, those arguing against defining core and minimum core content focus on the difficulty of establishing such universally applicable standards. Others point out that this could be considered as operating to limit the overall guarantee of rights, by establishing a defined standard of compliance.” *Ibid* at 156.
- 28 Text taken from Andy Norton and Diane Elson, *What’s behind the budget? Politics, rights and accountability in the budget process*, (London: Overseas Development Institute, June 2002) at 17-18.
- 29 UPPAP (2000) *Uganda Poverty Assessment Report: Learning from the Poor*, Ministry of Finance and Development, Kampala.
- 30 Mark Brenner of the Political Economy Research Institute states: “Perhaps the most controversial element of many codes of conduct is the inclusion of a ‘living wage’ provision—a clause setting wage floors adequate to provide a minimally decent living standard for workers in different countries.” See “Can We Define a Global Living Wage? The Example of Mexico” at <<http://www.people.umass.edu/brenner/pdfs/brenner.global.living.wage.pdf>>.
- 31 Pat Armstrong, “The Feminization of the Labour Force: Harmonizing Down in a Global Economy,” in Isabella Bakker, ed. *Rethinking Restructuring: Gender and Change in Canada* (Toronto: University of Toronto Press, 1996).
- 32 Text from American Friends Service Committee statement *The Human Crisis of Welfare Reform*, 21 February 1998, <<http://www.afsc.org/economic-justice/AFSCStatement.htm>>.

- 33 For the full text of the Declaration for the World Summit for Social Development see <<http://www.un.org/esa/socdev/wssd/>>.
- 34 A Uruguay-based organization called Social Watch continues to monitor the WSSD targets and benchmarks. See <<http://www.socwatch.org.uy/en/portada.htm>>.
- 35 For the text of the Millennium Development Goals see <<http://www.un.org/millenniumgoals/>>.
- 36 Focus on the Global South, *Anti Poverty or Anti Poor?: The Millennium Development Goals and the Eradication of Extreme Poverty and Hunger*, at <<http://focusweb.org/pdf/MDG-2003.pdf>>.
- 37 Text taken from Jayati Ghosh, "India: The Economic Case for Employment Guarantee," 24 October 2004 at <www.macrosan.com>.
- 38 For more information on the Act see *Employment Guarantee Act*, an October 2004 booklet prepared for a convention on Employment Guarantee and the Right to Work, held at the Constitution Club (New Delhi) on 19 October 2004, at <<http://www.sacw.net/Labour/EGAprimer.html>>.
- 39 Text from ATTAC statement, "International movement for the democratic control of financial markets and their institutions," adopted at the international meeting of 11-12 December 1988, at <<http://www.attac.org/indexen/index.html>>.
- 40 Lin Lean Lim writes: "Labour market deregulation has been an important feature of structural adjustment programs. There has been explicit deregulation, whereby formal regulations have been eroded or abandoned by legislative means; and implicit deregulation, whereby remaining regulations have been made less effective through inadequate implementation or systemic bypassing. Such deregulation has been based on the belief that excessive government intervention in labour markets—through measures such as public sector wage and employment policies, minimum wage fixing, employment security rules—is a serious impediment to adjustment and should therefore be removed and relaxed." See *More and Better Jobs for Women: An Action Guide*, ILO, Geneva, 1999, pp. 19-20. The same author also points to the causal connection between the liberalization of trade and the preference for cheap labour—almost always provided by women—in the quest to realize comparative cost advantages.
- 41 Radhika Balakrishnan, ed, *The Hidden Assembly Line: Gender Dynamics of Subcontracted Work in a Global Economy* (Bloomfield, CT: Kumarian Press, 2002).
- 42 ICESCR, Article 1 (2).
- 43 ICESCR, Article 11 (1).
- 44 Diane Elson, "Male Bias in Macroeconomics: The case of Structural Adjustment" in Diane Elson, ed., *Male Bias in the Development Process* (Manchester, U.K.: Manchester University Press, 1991), pp. 164-90.
- 45 Lourdes Benería, "Reproduction, Production and the Sexual Division of Labor," *Cambridge Journal of Economics* 3, No. 3 (September 203-225, 1979).
- 46 For an overview of efforts in this area, see Martha Chen & Jennefer Sebstad & Lesley O'Connell,

Lesley, "Counting the Invisible Workforce: The Case of Homebased Workers," *World Development*, Elsevier, vol. 27(3), 1999, pages 603-610.

47 See text of Convention at <<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C177>>. As of this writing, only four countries, Albania, Finland, Ireland and the Netherlands have ratified.

48 See "Home-based Work in Turkey: Issues and Strategies for Organizing" at <<http://www.openair.org/research/turkey.html>> and Simel Esin, "Follow-up to the Workshop on Women Home-based Workers in Turkey," at <<http://www.openair.org/research/esim.html>>.

49 Jim Shultz, "Promises to Keep: Using Budget as a Tool to Advance Economic, Social and Cultural Rights," January 2002 at <<http://www.internationalbudget.org/themes/ESC/FullReport.pdf>>.

50 See E/CN.4/2004/47, "Effects of globalization on the full enjoyment of human rights," report submitted by Bernads Mudho, in accordance with Human Rights Commission resolution 2003/21, 16 February 2004.

51 *Ibid.*

52 See ESCR-Net announcement for the 11-19 March 2005 conference, "Linking and Learning Programme on Budget Analysis and Economic, Social and Cultural Rights."

53 Text taken from Andy Norton and Diane Elson, "What's behind the budget? Politics, rights and accountability in the budget process," (London: Overseas Development Institute, June 2002) at 36.

54 National Priorities Project, Federal Revenues, from the National Priorities Project website at: <<http://www.nationalpriorities.org/budget/budgetpages/revenues.html>>. For data on and the effects of revenue foregone by the U.S. state of Massachusetts when it cut corporate income tax, see Elissa Braunstein of the Political Economy Research Institute, "Tax Cuts and the Recession in the State Fiscal Crisis" at <<http://wwwx.oit.umass.edu/~peri/html/8/108.html>>.

55 Norton and Elson at 37.

56 International Budget Project (2000), *A Taste of Success: Examples of the Budget Work of NGOs*, <www.internationalbudgetproject.org> at 15.

57 *Ibid* at 16.

58 See a speech by President Fernando Enrique Cardoso of Brazil, "Globalization and International Relations: Public Address to the South African Institute of International Affairs," Johannesburg, 26 November 1996, at 5-6.

59 Guillermo O'Donnell, (1998) *Bureaucratic Authoritarianism* (University of California Press, 1998).

60 See ICESCR 11, right to an adequate standard of living including food, clothing and housing and General Comment No. 12, (1999): The right to adequate food, Committee on Economic, Social and Cultural Rights, Report on the twentieth and twenty-first Sessions, Economic and Social Council Official Records 2000, supplement No. 2, Annex V.

61 Compiled from BBC News on-line edition <<http://www.news.bbc.co.uk>>. See "Zambia 'ignored

science' over GM," 31 October 2002; "Zambia 'furious' over GM food," 6 November 2002; "Zambians 'desperate' for help," 24 December 2002; "Struggling to find GM's middle ground," 16 September 2004.

62 General Comment 12 (1999) The Right to Adequate Food (Article 11 of the International Covenant on Economic, Social and Cultural Rights). Article 39 states: "Food aid should, as far as possible, be provided in ways which do not adversely affect local producers and local markets, and should be organized in ways that facilitate the return to food self-reliance of the beneficiaries. Products included in international food aid programmes must be safe and culturally acceptable to the recipient population."

63 For an explanation of varying pressures on Zambia to accept food aid consisting of GMOs, see David Fig, "The Decision of Zambia to Ban Genetically Modified Food Aid," at <http://www.sarpn.org.za/documents/d0000562/P474_Zambia_GM_Fig_012003.pdf>.

64 See the Budget of the United States Government, Fiscal Year 2006, at <<http://www.whitehouse.gov/omb/budget/fy2006/s>>.

65 Text from World Social Forum 20 February 2005 statement, "Call from Social Movements for Mobilizations Against the War, Neoliberalism, Exploitation and Exclusion: Another World is Possible," at <<http://www.forumsocialmundial.org.br>>.

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