The Human Rights Economy Discussion Paper

UNITED NATIONS HUMAN RIGHTS OFFICE OF THE HIGH COMMISSIONER

As the Universal Declaration of Human Rights (UDHR) grew out of the atrocities of World War II and the Great Depression, the human rights economy too arises at a turning point. We face a global landscape in which poverty levels are increasing, income inequalities are driving insecurity, and over half the world's poorest countries are in or near full-blown debt distress. Economic growth alone will not redress structural inequalities or ensure the promise of human rights is fulfilled. Instead, **a profound shift is needed to anchor economic policy in human rights, protect the environment, and deliver on equality and non-discrimination and economic, social and cultural rights.**

Like the 2030 Agenda, the human rights economy focuses on securing - more equitable, just and sustainable development. **The principal goal of a human rights economy is protecting human rights and the health of the planet. It centres people and the environment in economic, social, and environmental laws, policies, plans and programs and aims at ensuring that development, economic, industrial and trade laws and policies, investment decisions, consumer choices, business models and business operations are firmly guided by human rights.**

A human rights economy draws inspiration from various economic conceptual frameworks, including the green economy, wellbeing economy, care/purple economy, feminist economics, and doughnut economics, while explicitly prioritizing robust reliance on and adherence to human rights.

A human rights economy:

- *Upholds human rights, the inherent dignity and worth of every individual and peoples.*
- *Reflects the universality, indivisibility and interdependence of civil, political, economic, social and cultural rights as well as the right to development and to a clean, healthy and sustainable environment.*
- *Is grounded in the Universal Declaration of Human Rights and other international human rights instruments voluntarily entered into by States. It focuses on facilitating fulfilment of those obligations, rather than introducing new normative requirements.*
- *Highlights the importance of the equal, active, free and meaningful participation of individuals and peoples in all decision-making processes. It also embraces the integration of an intersectional approach to overcome multiple layers of discrimination faced by many individuals and groups.*
- *Acknowledges that the realization of human rights requires international cooperation, assistance and mutual support and promotes solidarity among countries,*
- *Underscores the importance of developing responsible and sustainable business models.*
- *Recognizes the inherent right of all peoples to enjoy and utilize fully and freely their natural wealth and resources while respecting everyone's right to a clean, healthy and sustainable environment.*

Key pathways towards a human rights economy

A human rights economy is rooted in the inherent specificity of each economy. It embraces a context specific, evidence-based approach that considers the economic and political legacies of the specific context, including the continuing impacts of colonialism, racism and slavery, patriarchal power structures and inequalities within and between countries. Building a human rights economy involves engagement on many

fronts. Key pathways for action include:

1. Renewed action to implement economic, social and cultural rights and the right to development

One hallmark of a human rights economy is the high priority accorded to respecting, protecting, fulfilling and enforcing economic, social and cultural rights. This involves not only treating these rights as the legal obligations they are, but also recognizing that the primary role of an economy is to protect and fulfil the rights and wellbeing of people, ensure environmental protection and sustainable use of natural resources, and secure a fair and equitable world, free from want and fear. With the current level of wealth, the attainment of such a world is within reach. In a human rights economy, resourcing economic, social and cultural rights is treated as a sustained and continuous investment rather than a short-term cost liable to be cut when certain exigencies line up.

2. Grounding fiscal policies in human rights

Macroeconomic policies play a vital role in ensuring necessary fiscal space for a human rights economy. Fiscal policies encompass government budget decisions including on taxation, public spending (procurement), and resource allocation, which directly enable the provision of essential transfers and services and contribute to the overall well-being of individuals and communities. In a human rights economy, priority is given to progressive, transparent and efficient taxation, as well as to addressing the impacts of debt servicing. Transparency around budget processes and tracking of public expenditures is also key.

3. Accelerating efforts to counter discrimination and inequalities

A human rights economy strives to give meaning to the 2030 Agenda commitment to leave no one behind and reach those furthest behind first, by placing equality and non-discrimination at the heart of economic policy making. It recognizes the inequality of opportunities and outcomes based on many factors, prioritizes intersectionality of multiple and persistent forms of discrimination for the purpose of economic planning and policy making and addresses extreme concentrations of wealth and power along gender, ethnic, racial, geographic and other divides. Addressing these deep-seated and far-ranging challenges requires investment in the production and use of disaggregated data and on integrating impact assessments of actual or potential discrimination in the process of policy making.

4. Reinforcing human rights in business operations

Ensuring businesses operate with respect for human rights, including economic, social and cultural rights is a key element of a human rights economy. Achieving this requires States to adopt a smart mix of effective measures – national and international, mandatory and voluntary - anchored in the UN Guiding Principles on Business and Human Rights (UNGPs). In addition to addressing States' obligations to protect against human rights abuse by business enterprises, the UNGPs recognize that all business actors have a responsibility to respect human rights, under which they are expected to identify and address adverse human rights impacts with which they are involved.

5. Encouraging human rights enhancing investment and trade policies

While international trade and investment agreements can advance human rights and sustainable development in areas such as access to essential goods and services, labour conditions, and environmental standards, they can also have adverse effects, including exacerbate inequalities or limiting space for economic policymaking. These agreements often prioritize non-tariff barriers and place emphasis on protecting foreign investors/institutional investors without sufficiently protecting human rights including protection of employment rights and the environment. Ensuring that human rights underpin international trade is essential.

6. Enshrining human rights at the core of industrial policies

Industrial policy refers to government policies directed at affecting the economic structure of the economy and has a very large ambit, covering a range of policies aimed at enabling a country to achieve its strategic objectives by enhancing domestic productive capabilities and international competitiveness. This is achieved through a range of tools such as subsidies, well designed tax incentives, infrastructure development, protective regulations, and

research and development support. Industrial policies in sectors such as manufacturing but also agriculture, natural resources or services play an essential role to advance human rights and drive long-term structural transformation for more just, inclusive and equitable economies and societies.

7. Investing in care and support systems anchored in human rights

Care and support work play an essential role in the economy, in our societies, communities and households, particularly by helping others to enjoy their human rights. Yet this work is often unrecognized, unpaid or underpaid. A disproportionate share of care and support responsibilities are shouldered by women and girls throughout their lives, reinforcing gender inequality and undermining their economic security. In the absence of affordable, quality and human rights-based care and support systems, infrastructure, devices and technologies, households with higher needs for care and support suffer significant restrictions on income and time, and those in need of care and support lose opportunities for autonomous life, community inclusion, full personal development, and equal participation in the society, as workers, entrepreneurs and consumers. A human rights economy invests in human capabilities by fully respecting the human rights and the agency of persons both in giving and receiving care and support, recognizing that everyone gives and receives care and support in their life. It emphasizes the importance of their effective participation in transforming care and support systems, in particular younger or older persons, persons with disabilities, children or the sick, and women and girls among them.

8. Reconciling economic growth with environmental action

As recognized by the Intergovernmental Panel on Climate Change, economic impacts attributable to environmental degradation are increasingly affecting peoples' livelihoods and are causing economic and societal impacts across national boundaries. A human rights economy prioritizes meeting the challenges posed by the multiple planetary crises, including climate change, biodiversity loss and pollution. It recognizes the interdependence between the human right to a clean, healthy and sustainable environment and all other human rights, including those to life, water and sanitation, food, health, housing, self-determination, culture and development. In a human rights economy, the principles of equity, common but differentiated responsibilities and respective capabilities and polluters pay guide international cooperation to protect the environment. This, in turn, requires strengthening mechanisms to improve equitable access to sustainable development finance and enhance the predictability of funding. A human rights economy also promotes the responsible and sustainable use and management of economic and natural resources, as well as the fair and equitable distribution of resources and development benefits, to ensure the ability of both present and future generations to effectively enjoy all human rights. States and businesses need to be held accountable for their commitments, including to equitably phase out fossil fuels and for harms their actions have caused to people and the environment. Reconciling economic policies with environmental action also requires measures to be in place to ensure that the transition does not harm human rights.

9. Measuring economic success beyond gross domestic product (GDP)

While GDP (Gross Domestic Product) measures market production, it is often treated by policy makers as a measure of development success. While to date it is the single most important indicator to capture economic activity, it falls short of providing a suitable measure of people's level of enjoyment of human rights and their well-being. Development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population and of all individuals in line with the right to development. What society measures shapes what is collectively valued and pursued – and what society values and pursues determine what is measured. For a human rights economy, the measurement of economic success needs to be expanded beyond the blunt instrument of GDP to assess how well the economy delivers on people's rights and safeguards the planet, as envisaged by SDG target 17.19.

10. Fostering consumer and political participation and fiscal transparency

A government's budget is one of the most

important economic policy tools to facilitate the fulfilment of human rights. One of the key principles of the right to development is active, free and meaningful participation in development and in the fair distribution of development benefits. A human rights economy empowers individuals to participate meaningfully and safely in economic decision-making, advocate for their rights and interests, and shape change in what economies prioritize, and how economies are oriented and governed. It brings disadvantaged groups and underrepresented communities to the table, and it creates channels for systematic participation. Public participation in the budget process facilitates accountability and builds trust and social cohesion – all of which contribute to a renewed social contract. A human rights economy emphasizes the need for fiscal transparency and the duty of governments to ensure that all people have access to timely, accurate, understandable and complete information on how public institutions conduct public affairs, develop and spend budgets and other aspects of fiscal policy, and manage resources. It seeks to create more space for well-informed consumer choices, awareness of how consumer choices impact the human rights of others, as well as for consumer activism to use the power of well-informed consumers to change the behaviour of businesses and other market actors that negatively impact on the enjoyment of human rights for all.

Global actions to support Human Rights Economies

Building human rights economies at the national level will also require transforming the international financial architecture and global economic governance in what the UN Secretary-General has called "a giant leap towards global justice." This will require strengthening the global financial safety net and scaling up the resources available for all countries to invest in protecting the economic, social and cultural rights of their people, including in times of crisis. This must be combined with reforming the mandates of the international financial institutions, so they take account of human rights in their loans, policies, projects, and analyses, including through human rights impact assessments to check that their operations or conditionalities reinforce rather than contravene States' existing human rights obligations (e.g. on health, education, social security etc).

These efforts must also be combined with establishing a fairer and more effective multilateral mechanism and legal framework for sovereign debt relief and restructuring, that better balances obligations to creditors with States' human rights obligations and puts responsibilities on lenders as well as borrowers. A global shift towards more inclusive and effective international tax cooperation will also be critical to combat tax evasion and more fairly allocate multinational corporate tax revenues between countries, to reduce inequalities and to generate the maximum of available resources to support human rights economies in all countries.

Moving towards the Human Rights Economy

We stand at a critical crossroads. Our quest to achieve the SDGs is faltering, global inequalities and insecurity are growing, and we face a multiple planetary crisis. An urgent detour is needed to avoid catastrophe. The human rights economy is an exit hiding in plain sight, calling for mission-oriented economies to move beyond market-driven shortcomings. This mission is nothing less than the protection of human rights and the planet informed by an intention to learn from the failures of exclusion and recognize the dignity and agency of all individuals, regardless of race, gender, social status, age, disability or any other distinguishing factor.

Using human rights, especially economic, social and cultural rights as well as the right to development, as a framework for economic policies can pull us back from the brink. This transformative vision is a participative project and OHCHR invites the collaboration of governments, businesses, civil society, grassroots communities and social movements, academics, and all people to contribute to the realization of a human rights economy.

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