



“The Future of Human Rights, Development and the Economy”

**Roundtable 3, Human Rights 75 High-level Event
12 December 2023, 3.00pm – 5.00pm CET**

Additional background document

A. Background

The Universal Declaration of Human Rights (UDHR) was heralded at its adoption in 1948 as a common standard of achievement for all peoples and all nations. Its objective was to ensure that all people could live free and equal in dignity and rights. The 2030 Agenda for Sustainable Development builds on this fundamental principle. It envisages a world of universal respect for human rights and human dignity, the rule of law, justice, equality, and non-discrimination; of respect for diversity; and of equal opportunity permitting the full realisation of human potential and contributing to shared prosperity. The Declaration and the body of law that has been built on its foundations have had an enormous impact on national laws and policies.

Yet, there remains a yawning chasm between the vision of the UDHR and the 2030 Agenda and the current state of the world. While global wealth has never been greaterⁱ, the benefits of economic growth and development are unevenly distributed around the world, within and among countries. Almost two thirds of the new wealth created between December 2019 and December 2021 went to the richest 1 per centⁱⁱ. At the same time, the world is still feeling the impact of the COVID-19 pandemic, with 100 million more children now considered to be multidimensionally poor due to the crisis.ⁱⁱⁱ The number of countries facing unsustainable levels of debt - above 60% of GDP - has increased from 22 countries in 2011 to 59 countries in 2022.^{iv} Without decisive action, by 2030, a projected 7 per cent of the world's population will remain trapped in extreme poverty.

During the course of this year, austerity measures are estimated to affect 85 per cent of the global population.^v The pressure that this is creating on low- and middle-income countries significantly restricts their fiscal space to invest in essential public services such as education, health, social protection and food security, and to meet their obligations to ensure the progressive realisation of economic, social and cultural rights. The failure to respect human rights in the economic and social sphere, has contributed to policy decisions that have fuelled a triple planetary crisis, traded away labour and social rights, deepened inequalities and led to the marginalisation of millions. On 30 per cent of the SDGs, progress has stalled or even reversed.^{vi}

Global instability and the triple planetary crises are further exacerbating this situation, with the poorest and most marginalised -- those that have contributed least to these crises -- suffering most. Two billion people now live in conflict regions. Armed conflicts are diverting resources away from financing rights-based sustainable development. Today, developing countries are facing a 4 trillion-dollar gap in sustainable development investment per year – up from 2.5 trillion dollars in 2015.^{vii} To allow states to make investments in a green transition aligned with human rights, the United Nations Secretary-General has called for an

SDG stimulus and a reform of the international financial architecture.^{viii} Ensuring that the economy is delivering for the people is not only essential to accelerate SDG progress and realise economic social and cultural rights and the right to development, it is also critical to curb the growing mistrust in institutions, the rise of extremism and the resulting political instability and violence fuelled by the concentration of resources and powers in the hands of a few. Investing in poverty eradication and the fight against inequality is hence also fundamental to preventing crises.

B. Turning the tide: towards a human rights economy

Economic growth on its own will not redress structural injustices or fulfil people's human rights: our current economic system must undergo a profound transformation that anchors economic policies in human rights. The human rights economy provides a compass for such a transformation. It roots economic policies firmly in human rights norms and standards and intentionally aims at eliminating discrimination and reducing inequalities by investing in economic, social, and other rights, including the right to a clean, healthy and sustainable environment. Moving towards a human rights economy requires a series of shifts: economic, social, and cultural rights should not be considered mere aspirations, but instead as legal standards that need to underlie policy choices. Our measures of achievement must move beyond GDP growth to approaches that focus on how well we deliver on the well-being, dignity and rights of people and the planet. Education, food, housing, health, social security, water, sanitation, and a safe and healthy environment are rights that must be fulfilled for everyone, everywhere. Addressing discrimination is essential, but it is not sufficient. Deeply engrained patriarchal power structures, the legacies of systemic racism, marginalisation, and colonialism and structural barriers that perpetuate inequalities need to be dismantled. A renewed focus needs to be put on building strong transparency and accountability mechanisms and active, free and meaningful participation in development. Solidarity, international cooperation, assistance, and mutual support, core principles of the right to development, are critical to building the human rights economy and delivering on the SDGs.

Developing a human rights economy demands action at both the national and global levels, both within countries and from the broader international community. Meaningful participation by those affected and their communities and private sector engagement aligned with human rights will also be essential for moving towards a human rights economy, as will reform of the international financial architecture to make it more representative, equitable, and human rights enhancing.

C. The action we need

While there are a number of pathways that can contribute to building a human rights economy, engaging in the following five core areas is key to driving change. In addition, a human rights economy prioritizes meeting the challenges posed by the triple planetary crisis of climate change, biodiversity loss and pollution, and addresses the need to reconcile economic growth with the need for environmental action. These issues are addressed in a separate paper on the Future of Human Rights and the Environment.

➤ *Tackling inequalities and discrimination*

The human rights economy aims to address not only poverty and deprivation of those furthest behind but also inequitable concentrations of wealth and power. By intentionally placing equality and non-discrimination at the heart of economic policy, a human rights economy helps identify entrenched patterns of structural and systemic discrimination, makes inequalities visible, and sheds light on multiple and intersecting forms of inequalities and discrimination. This requires, for example, assessing the actual or potential discriminatory effects of policies before they are adopted. Such analysis is critical to ensure a just distribution of resources and assets and to adopt laws, national strategies and plans, and budgets, fiscal and other policies that tackle the root causes of discrimination and inequalities, focusing on the most marginalised groups, prioritizing investments in women and girls and redressing historic injustices. Stakeholders, such as National Human Rights Institutions (NHRIs), parliaments, cities and regional governments are key partners in this work.

Strengthened data collection and analysis based on human rights makes inequalities visible. It is a foundation for formulating targeted and effective evidence-based policies that tackle inequalities and address the root causes of discrimination. In addition, steps to scale up technical cooperation to assist countries with measuring inequalities and the multidimensional characteristics of poverty are needed. Such measurements are not only critical to meet the 2030 Agenda's commitment to leave no one behind, they also help countries take preventive action as they provide information about root causes of conflicts. Integrating human rights into ongoing data collection, disaggregation and analysis efforts can help deliver on the commitment to leave no one behind as can the development of human rights indicators. Applying a "Human Rights Based Approach to Data" and breaking the silos between the human rights and statistical communities, for example by strengthening collaboration between national human rights institutions and national statistical offices, can make a substantial difference.

➤ *Grounding fiscal policies in human rights*

The human rights economy identifies a set of fiscal policy measures which countries can take to reclaim their fiscal space.^{ix} Human rights not only provide important guardrails for fiscal policies, but also provide a useful toolbox of effective, sustainable approaches. Measures that all countries can take include progressive income tax, wealth and corporate taxes, carbon pricing and possible pricing of other unsustainable or environmental and human rights harmful business practices, as well as avoidance of retrogressive taxes and tax policies that directly or indirectly run counter to human rights. Embedding human rights in key processes, such as human rights assessments of public budgets, assessing the impacts of debt servicing on fiscal space and investments in essential services, or designing and implementing transparent tracking and monitoring mechanisms for public expenditures are other key elements of a human rights-based approach to budgeting. Together with a focus on building stronger transparency, participation and accountability these measures can free up fiscal space and help ensure more efficient and targeted use of existing resources to realize human rights and the SDGs.

To be effective, steps by national governments need to be complemented and supported by global efforts. Ending tax avoidance and evasion and combating illicit financial flows depend on better international cooperation and assistance in the regulation, repatriation, and taxation

of financial flows from developing countries^x. Digital technology can help support such efforts. Global tax reforms should ensure more equal participation of low and middle-income countries in tax governance and promote greater tax transparency and information sharing frameworks^{xi}. Combatting corruption requires strengthened initiatives at both the national and global levels.

➤ ***Investing in basic services, including care and support systems anchored in human rights***

In a world of increased volatility, strengthening people's resilience through investing in rights-based basic public services and care and support systems is ever more important. A human rights economy prioritizes investments in quality education, food, housing, health, social security, water and sanitation and a clean, safe and healthy environment. It recognises these as basic human rights to which all persons are entitled no matter if they are provided by a private or public entity. The human rights economy also recognizes the critical need to secure universal social protection and health coverage. It puts an emphasis on investing in care and support systems anchored in human rights, recognizing that focusing on investment in the human capabilities of providers and recipients of care and support strengthens the rights of women, children, persons with disabilities and older persons, and moves societies closer to that goal.^{xii} Making real progress also depends on gender equality and fully ensuring the rights of women and girls are respected, including by recognizing the value of their work in the care and support and informal sectors of the economy. It is critical that resources for services essential for fulfilling human rights are ringfenced from fiscal consolidation and austerity measures. Human rights-based budgeting can be a powerful tool in this regard. It incorporates governments' obligations to use maximum available resources to protect economic, social and cultural rights and to prevent retrogression.

➤ ***Enhancing the private sector contribution***

Enhancing respect for human rights by business can make a powerful contribution to sustainable development.^{xiii} The UN Guiding Principles on Business and Human Rights lay out a blueprint for both States and business on how to achieve this. States' human rights obligations extend to effectively preventing and addressing human rights abuse involving business actors and activities, which helps set a level playing field that fosters business respect for human rights. Recent trends in a number of States to develop laws mandating business respect for human rights and the environment or require mandatory human rights due diligence are important steps to a human rights economy.

For their part, all business actors (including the financial sector) have a responsibility to respect human rights, meaning they should avoid infringing on human rights and address adverse human rights impacts with which they are involved. Human rights should be embedded in corporate governance and business practices, and human rights due diligence should cover the entire value chain. Impact assessments are crucial to identify, prevent, and mitigate human rights harms, and should be accompanied by access to effective remedies for those adversely affected by business operations. While many businesses have committed to implementing the Guiding Principles, further efforts are essential both to support company efforts to live up to that commitment, and to strengthen access to effective remedies for

individuals and communities that suffer human rights harms. Legal frameworks and economic policies also need to take into account externalities, such as pollution, and incentivize business practices that eradicate negative operational impacts on the environment, health and well-being of people.

Unlocking private business and finance remains one of the greatest challenges to achieving sustainable development. Financial sector actors could help drive human rights change through their investment decisions. While public international resources will remain critical - especially for climate and debt-vulnerable countries - the bulk of financing for the SDGs and human rights globally will come from the private sector. Private investment in achieving the SDGs has not kept pace with growing needs. At the same time, private-public partnerships and privatization of essential services have often not been guided by the essential prerequisites of human rights due diligence. International trade and investment agreements are an important element to shape the flow of private resources. Well-designed agreements that advance human rights and sustainable development, providing sufficient protection to rights, such as the right to decent work, are needed. Increased reliance on non-tariff barriers is another concern. The human rights economy provides guidance on how to better anchor investment and trade policies, including in dispute settlement negotiations and intellectual property rights protection regimes, in human rights obligations. This is pivotal to allow countries to support the development of domestic industries that better uphold human rights such as building resilient supply chains that prioritize sustainability and equity, achieving a just energy transition, delivering decent jobs, tackling corruption and corporate tax avoidance.

➤ *Global Actions for a Human Rights Economy*

In many ways, global support for building a human rights economy is lacking. While demands on international development cooperation are higher than ever, neither climate nor development financing is keeping pace with the increasing needs. Climate- and debt-vulnerable countries, such as many least developed countries (LDCs) and small island developing States (SIDS), need more concessional resources and grants. There is a need for stepped up efforts to meet existing commitments to devote at least 0.7 per cent of Gross National Product for development assistance, and to provide Least-Developed Countries with 0.15 – 0.20 per cent of their Gross National Income. Global action for adequate climate and sustainable development finance requires the participation of all countries in an effective and appropriate international response, in accordance with their common but differentiated responsibilities and respective capabilities.

With 59 countries in 2022 facing unsustainable debt levels, the international financial architecture is seen by many to have failed in its core mission. The UN Secretary-General has spoken of the urgent need for reform, noting that the Bretton Woods system is “outdated, dysfunctional and unjust”. This overarching call for a reform of the international financial architecture towards a fairer, more representative, equitable, human rights enhancing system, has been joined by demands for a review of IFI policies, operations, metrics and incentives to allow Member State to fulfil their existing human rights obligations, while achieving the 2030 Agenda for Sustainable Development.^{xiv} In particular, international financial institutions need to proactively consider how their operations, including with regard to debt sustainability, private sector financing, loan agreements and conditionalities, contribute to realise human rights and the SDGs. An improved multilateral framework for debt relief and

restructuring – with the representation of developing countries – guided by transparency on financial commitments and loan conditions, is also key to enabling the prioritization of investments for social spending and investment in climate mitigation and adaptation over debt servicing.

D. Conclusion

Moving towards a human rights economy through urgent action in the five areas described above, as well as in environmental action, can close the gap to achieving the SDGs and make tangible differences in the lives of people across the globe. At the same time, success depends not only on what is done, but how it is done. Effective action requires truly participatory policymaking and implementation, that ensures the experiences and views of those most affected are integrated, relies on accumulated expertise and evidence, and gives women and all those under-represented in decision-making their rightful place at the table. Human rights are not hurdles to achieving our goals, but essential tools for moving to the future for people and planet that we need.

ⁱ [World Bank Group, the changing wealth of nations 2021: managing assets for the future – executive summary](#) (Washington, D.C., 2021).

ⁱⁱ [Oxfam Briefing Paper, Survival of the Richest: How we must tax the super-rich now to fight inequality, January 2023](#)

ⁱⁱⁱ See: <https://www.project-syndicate.org/commentary/austerity-returns-threatening-recovery-and-billions-of-people-by-isabel-ortiz-and-matthew-cummins-2022-12?barrier=accesspaylog> .

^{iv} [UN Global Crisis Response Group, “A world of debt - A growing burden to global prosperity, July 2023.](#)

^v See: <https://www.project-syndicate.org/commentary/austerity-returns-threatening-recovery-and-billions-of-people-by-isabel-ortiz-and-matthew-cummins-2022-12?barrier=accesspaylog> .

^{vi} [United Nations, The Sustainable Development Goals Report 2023. Special edition.](#)

^{vii} [UNCTAD, 2023 World Investment Report.](#)

^{viii} See [Press Release: UN Secretary-General calls for radical transformation of global financial system to tackle pressing global challenges, while achieving sustainable development - United Nations Sustainable Development](#)

^{ix} [OHCHR, Realising Human Rights through Government Budgets \(New York and Geneva 2017\).](#)

^x See also [A/HRC/RES/52/21, 19 April 2023](#)

^{xi} GA resolution 77/244 on “Promotion of inclusive and effective international tax cooperation at the United Nations”, 30 December 2022, has initiated intergovernmental discussions on options to strengthen the inclusiveness and effectiveness of international tax cooperation, including “the possibility of developing an international tax cooperation framework or instrument that is developed and agreed upon through a UN intergovernmental process, taking into full consideration existing international and multilateral arrangements.”

^{xii} See also *GA res 77/317 and HRC res 54/6*.

^{xiii} Working Group on Business and Human Rights, [The business and human rights dimension of sustainable development: Embedding “Protect, Respect and Remedy” in SDGs implementation](#) (June 2017)

^{xiv} [United Nations, Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture, May 2023.](#)