

Statement by Mr. Olivier De Schutter

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and human rights

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Excellencies, Ladies and Gentlemen,

It is with great pleasure that I am addressing the Human Rights Council today.

Since last year's interactive dialogue, I have presented to the General Assembly a <u>report</u> on the prohibition of discrimination on grounds of poverty: the report aimed to reflect the lived experience of people in poverty, who face discrimination and abuse in their daily lives simply because they are poor -- what we call "povertyism", a scourge which we should take no less seriously than racism, sexism or homophobia, which is also a major factor perpetuating poverty.

In a number of fora, I have also continued to advocate for increased solidarity towards low-income countries in support of the establishment of social protection floors, in line with my June 2021 report on the global fund for social protection.

The scenario I am now exploring, and that is gaining ground, is a "debt-for-social protection" scenario, in which debt forgiveness or restructuring would be made conditional upon investing in social protection.

Today, 60 per cent of low-income countries are either in or at high risks of debt distress, and many middle-income countries are also facing increasing debt vulnerabilities. The debt situation has worsened recently as interest rates have risen significantly, and as some 90 developing countries have seen their currencies weakened against the dollar in 2022 – over a third of them by more than 10 per cent --, making debt servicing even more expensive. Against this background, I believe we could propose debt forgiveness and restructuring against a commitment of heavily indebted countries to invest in social protection, by presenting an assessment-based national action plan on how to establish social protection floors with improved adequacy and increased coverage. This would build on the 2022 Bridgetown Initiative for the Reform of the Global Financial Architecture, which is now endorsed by a growing number of governments.

The need to increase financial support to developing countries seeking to establish social protection floors is broadly recognized. But I need your support to ensure we build on the <u>resolution</u> adopted at the June 2021 International Labour Conference and on the "Our Common Agenda" report presented in September 2021 the UN Secretary-General, both of

which refer to the need to establish the global fund for social protection. This should be seen as part of the broader project for a "Global Accelerator on Jobs and Social Protection" presented by the UNSG and the ILO Director General, also in September 2021.

Since the last interactive dialogue with the Human Rights Council, the cost-of-living crisis has continued to rise, making recovery from the Covid-19-induced economic crisis very difficult for low-income households. The items whose prices have increased the most (food and energy) are also the items that represent the largest part in the budgets of these poor households. Moreover, many households are in debt, and the reactions of central banks to inflation (which is to raise interest rates) will worsen the situation of indebted households. Finally, as a result of the rise in interest rates, companies will invest less, and layoffs will follow. In other terms: the current context is one in which poverty is rapidly increasing with widening inequalities, despite the apparent jobs recovery since the pandemic.

Against such a background, it is imperative that we use all the tools at our disposal to combat poverty and strengthen the resilience against economic shocks, both of households and of countries.

This is why I focus my thematic report to the Human Rights Council on the idea of the job guarantee.

In this report, I encourage all actors, including governments and human rights mechanisms, to take seriously the right to work as a human right. The International Covenant on Economic, Social and Cultural Rights and the International Labour Organization (ILO) Employment Policy Convention, 1964 (No. 122) recognize the right to work. But they impose on governments little more than an obligation of means: essentially, to do what they can to create jobs. Governments should take "steps" to achieve "full and productive employment"; they should adopt "an active policy designed to promote full, productive and freely chosen employment" (art. 1 of the (ILO) Employment Policy Convention, 1964 (No. 122)).

I argue that the right to work can become an enforceable human right, guaranteeing to any adult able and willing to work a right to paid public employment. This is the idea of a job guarantee, which obliges governments to act as an employer of last resort.

The idea itself is not new. Many will be familiar with US President Roosevelt's Works Progress Administration as part of his New Deal – public works projects that employed millions in response to the depression of the 1930s.

Today, the most extraordinary and largescale job guarantee programmes are being led by countries in the Global South. The largest, the Mahatma Gandhi National Rural Employment Guarantee Act, directly benefited <u>76 million households in 2020/21</u>. The Expanded Public Works Program in South Africa created <u>a million job opportunities in 2021/22</u>.

Smaller schemes are up and running in the Global North, including <u>Territoires zéro chômeur</u> <u>de longue durée</u> (territories with zero long-term unemployment) in France, which targets the long-term unemployed in some small French municipalities and matches them with jobs that fulfil local needs. Other pilots are running in <u>Austria</u> and <u>Belgium</u>.

From Kazakhstan to Ethiopia, Argentina to Greece, public employment schemes have been <u>trialled and tested</u> around the world – adding insight and evidence to this potentially transformative public policy.

We know that unemployment <u>significantly increases</u> the risk of poverty. Particularly as just <u>one in five people</u> who are unemployed receive any kind of unemployment benefit – 52% pf people in high-income countries and 0.8% in low-income countries. Even where they do exist, unemployment benefits are often pitifully inadequate.

And employment is about more than just economic security. Decent work has been proven to support social inclusion, build self-esteem and have important mental and physical health benefits. Unemployed people are around <u>twice as likely</u> to report psychological problems as those who are in work, suggesting that unemployment is not just correlated with distress but actually causes it.

A job guarantee can be a powerful tool against poverty and the discrimination that so often accompanies it. As is the case with the French scheme, job guarantees can also ensure the integration of some of the most disadvantaged groups in the labour market, and therefore those most at risk of poverty, such as the long-term unemployed. In India, childcare facilities are provided at the site of employment which has led to participation rates of around 90% of

women in some areas – hugely relevant given that India has some of the <u>lowest rates of female</u> labour force participation in the world.

At the same time, it's well documented that having a job does not guarantee a route out of poverty. Much of the work that exists today is hugely precarious and badly paid – particularly in the <u>informal economy</u>. Indeed, this is why I will dedicate my next report to the General Assembly, which I present in New York in October, to the question of the "working poor". But in this regard also, a job guarantee has an important role to play, by raising the bar of labour standards across the entire economy. There would be no need for workers to accept miserable and exploitative working conditions if they had a decent public job to fall back on.

A job guarantee can also help to address the global employment paradox that sees persistent unemployment and underemployment coexisting with unsatisfied societal needs.

While the <u>International Labour Organization</u> (ILO) expects global unemployment to fall below pre-pandemic levels in 2023 to 191 million (corresponding to 5.3% of the working population), this recovery is not shared equally across all regions. Unemployment is projected to be 11% in North Africa, with a similar picture in Arab and Sub-Saharan African countries.

And while in some countries official unemployment rates are falling, this is not a reason to ignore ongoing problems. Indeed, official unemployment figures do not account for the countless people who disappear from employment statistics because of circumstances outside of their control, such as a lack of childcare, which have meant having to give up the job hunt. Moreover, an additional <u>470 million people</u> will be looking for work in developing countries by 2035. There are simply not enough jobs to go around.

Yet, and here is the paradox, there is certainly no shortage of work to be done. The greening of the economy and the growing care economy (care to dependent persons, education and healthcare) will require substantial workforces. According to the ILO, the health, education and care capacity needed to meet the Sustainable Development Goals in 45 countries representing 60% of the global population will require 117 million additional jobs.

These are areas of the economy that are undersupplied by the market – no doubt because they aren't churning out massive profits. Yet they are of huge value to society – what jobs

could be more important than those that care for others and steer us out of the climate disaster?

We cannot rely solely on economic growth to provide more jobs, let alone decent, meaningful work that meets our urgent, yet unmet, societal needs. Indeed, there is often a weak association between the two. Technological advances such as AI or automation, for example, may result economic growth going hand in hand with job losses.

It is job guarantee schemes that can provide and pay decently for these vital jobs. Of the nearly 800,000 jobs created in the South African public employment programmes, <u>two thirds</u> were in the basic education sector.

There are objections to the job guarantee. But such objections can be addressed through taking a rights-based approach at the design, implementation and evaluation stages.

Some fear that the introduction of a job guarantee would accompany a shift from welfare to "workfare" – by tempting governments to make social protection benefits conditional upon taking a job. This must not be allowed to happen. To be effective, job guarantee schemes must be truly voluntary and paired with a requirement that there be no retrogression in the provision of unconditional social protection.

Others highlight the risks of corruption – public funds being misused and jobs given to friends and supporters. Taking a rights-based approach to the job guarantee is therefore key to ensuring it is implemented effectively. This means defining access to the scheme as a legal entitlement, allowing for access to recourse mechanisms in cases of exclusion. At the same time, issues around non-take-up of social protection must be addressed – ensuring that those who need the scheme the most know how to access it and can do so simply.

Finally, there are those who argue that a job guarantee would be too costly to implement. But this is investment with huge returns. I would counter that it is too costly not to act.

Beyond the economic arguments of lost tax revenues from those not in work, there are many costs of unemployment that are hard to quantify but hugely important, and that should be taken into account in any rights-based cost benefit analysis of a job guarantee. The list is long and not exhaustive: the physical and mental health impacts, the stigma that comes with not having a job, the threat of slipping into debt, the reduction in employability that comes with

being unemployed for long periods of time, the knock-on effect on families, the impact on social cohesion and wellbeing.

Excellencies, Ladies and Gentlemen,

In closing, I would like to thank the governments of Kyrgyzstan, of Bangladesh and of Ecuador for their engagement with the Human Rights Council. I visited Kyrgyzstan from 23 May to 3 June 2022, and I was in Bangladesh from 16 to 29 May 2023. I also express my gratitude to the government of Ecuador for hosting a visit this year from 28 August to 8 September, despite the challenging political times which the country is experiencing. These countries deserve our collective gratitude for their openness and for the collaborative spirit in which they engage in human rights multilateralism.

The report on Kyrgyzstan is part of the documents presented to this session, and I look forward to the continued dialogue with the government. In the future, I intend to put more emphasis on the follow-up to the recommendations identified during country visits. In that regard, I would like to thank very warmly the European Union and Nepal for the detailed responses they provided concerning the priorities identified following my visits to the EU and Nepal respectively in January and December 2021, and I look forward to receiving similar responses from Lebanon and Kyrgyzstan in the near future. I will regularly provide updates on such follow-up on the website of the mandate.

Excellencies,

I look forward to our interactive dialogue on the report I present today on the idea of a job guarantee and how it can contribute to the fight against poverty. I believe there are strong arguments in favour of introducing such job guarantee schemes. With great humility, I hope to contribute, with such a report, to expanding our toolbox against poverty.

Thank you.