



CENTER FOR ECONOMIC AND SOCIAL RIGHTS

SOCIAL JUSTICE THROUGH HUMAN RIGHTS

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





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OUTLINE

- Making rights relevant: three dimensions
- Austerity in context: Ireland and Spain
- Some lessons learnt and ways forward

Addressing three dimensions of the crisis from a human rights perspective

Causes

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

Consequences

- range of rights affected, sectors most at risk

Responses

- states, international bodies, national HR mechanisms and civil society

I

Ireland

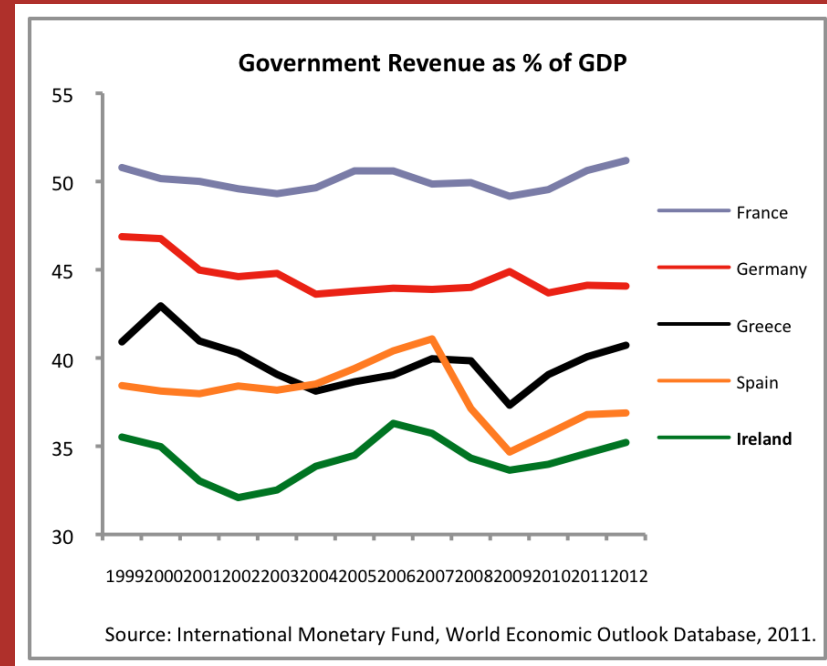
Assessing austerity measures in light of Ireland's UPR pledge to uphold HR despite financial constraints



Ireland: causes of the crisis

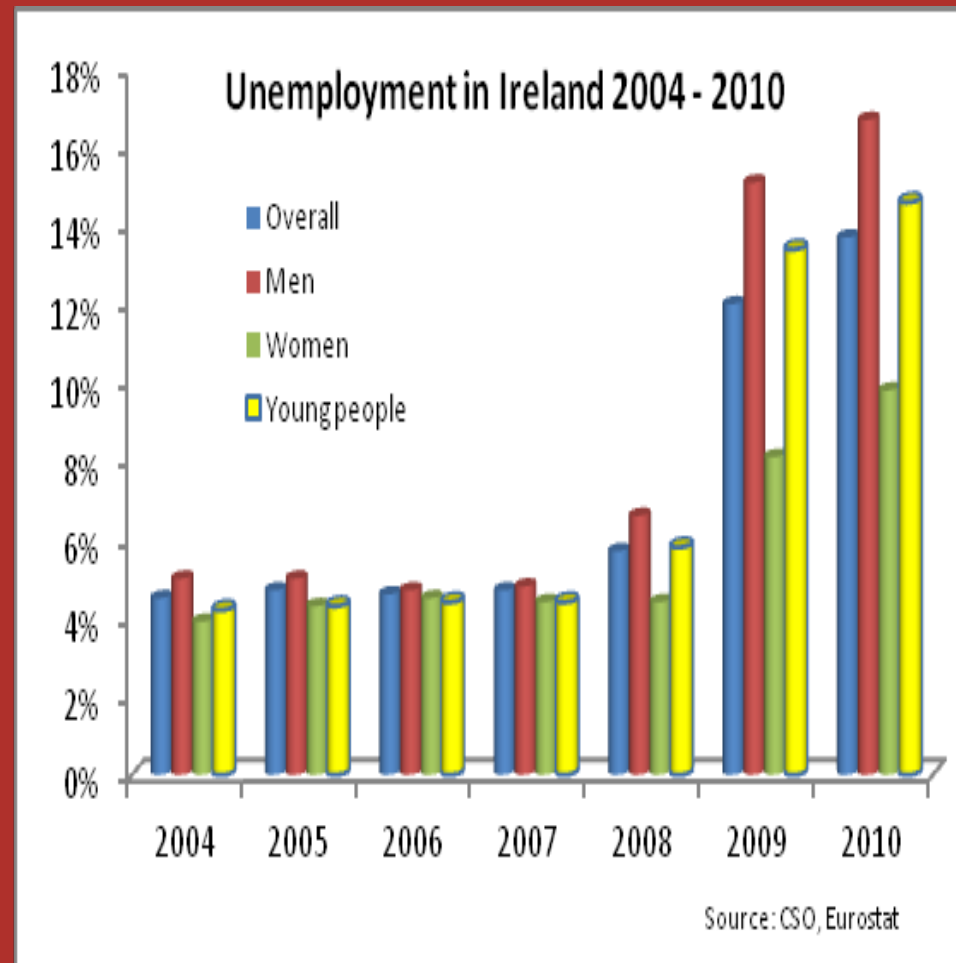
A flawed model:

- lax regulation
- housing boom
- reckless lending & borrowing on foreign markets
- very low tax (esp corporate)
- tax evasion



Ireland: consequences

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



Ireland: responses

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

Towards a rights-based response

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

Spain

CESCR review: Geneva v. Brussels - making the case that austerity measures are retrogressive

SPAIN

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FACT SHEET No. 12

In light of Spain's appearance before the UN Committee on Economic, Social and Cultural Rights in May 2012, this factsheet examines the enjoyment of economic, social and cultural rights in Spain, particularly in the wake of the economic crisis gripping the country since 2007.

The factsheet highlights the negative impact of the economic crisis - and government responses to it - on the enjoyment of the right to work and to decent working conditions in Spain, where a quarter of the working population and half of young persons are unemployed. As the data show, this has put in peril the ability of much of the population to exercise other rights, particularly the right to an adequate standard of living and the right to affordable housing. The deterioration in a range of economic and social rights indicators, including a sharp rise in levels of poverty and income inequality, combined with drastic cuts in social spending, point to retrogression in the abovementioned rights, with disproportionate impacts on the lives of those most vulnerable. Disaggregated data highlight stark disparities on grounds of gender, age, nationality, geography and socio-economic status.

The factsheet also examines the budgetary and fiscal measures undertaken by the State in response to the crisis. In the face of pressures to reduce Spain's fiscal deficit, successive governments have undertaken severe budget cuts and other reforms aimed at reducing public spending. Austerity-driven cuts have targeted spending on social sectors such as education, housing and social security, as well as international development cooperation, despite the fact that per capita social expenditure in Spain was already comparatively low. Indicators relating to government revenue in Spain, which is Europe's fifth largest economy, show that the State could make more equitable efforts to generate potential resources as an alternative to austerity, in line with its obligation to employ the maximum of available resources towards the realization of economic, social and cultural rights, without discrimination or deliberate retrogression. Spain's low tax-to-GDP ratio - and its high rate of tax evasion (which represents an annual loss of revenue that is three times the total cuts to the proposed 2012 budget) are significant factors undermining the State's ability to generate the resources needed to respect, protect and fulfill economic, social and cultural rights.

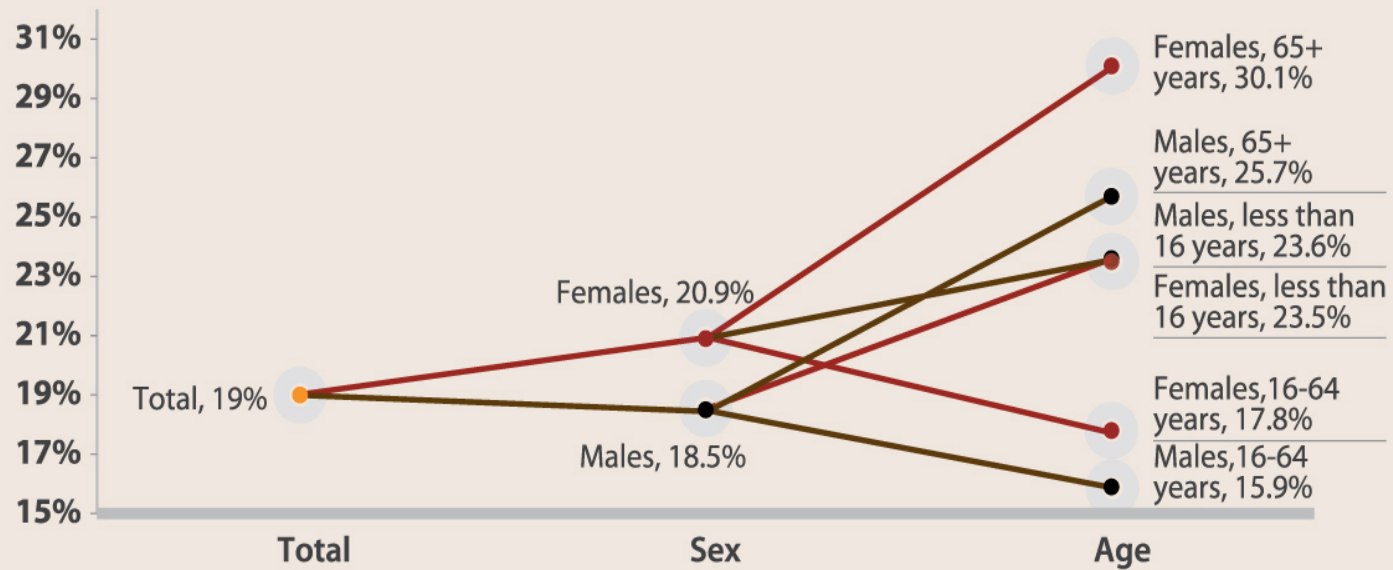
Although these rights are guaranteed in the Spanish Constitution as "guiding principles" of public policy, the budgetary and legislative reforms of the past two years have been undertaken without prior assessment of their human rights impact or their distributional effects on particularly vulnerable groups, both in Spain and in countries receiving Spanish development assistance. Of particular concern is the deterioration in the economic, social and cultural rights of children and young people, and the long-term generational effects that this could have.

Spain's appearance before the Committee is an opportunity for the State to answer for what it is doing to guard against retrogression in these rights, including by considering rights-based alternatives to fiscal austerity and safeguarding the rights of groups most affected by the crisis. The data presented in this factsheet is intended to complement and illustrate the concerns and recommendations raised by CESR and other civil society organizations in Spain in their Joint Submission to the Committee in March 2012. It aims to contribute to civil society efforts to safeguard human rights in times of economic crisis and to ensure that strategies for economic and social recovery are guided by economic and social rights norms and principles.

**VISUALIZING
RIGHTS**

Rising poverty : who's at risk

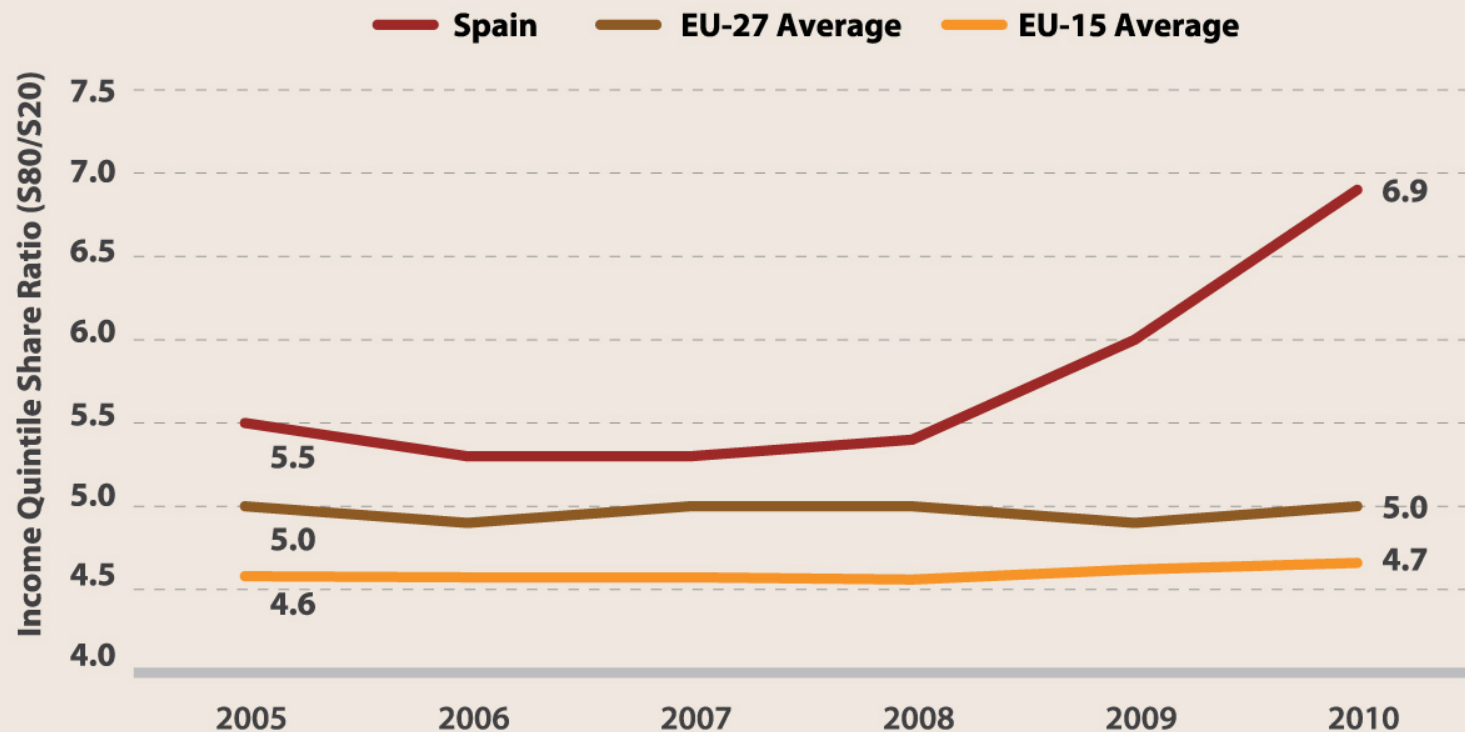
Poverty Hazard Rate by Age and Sex as Percentage of the Total Population (2010)



Source: National Statistics Institute of Spain, 2011a

Widening inequality

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

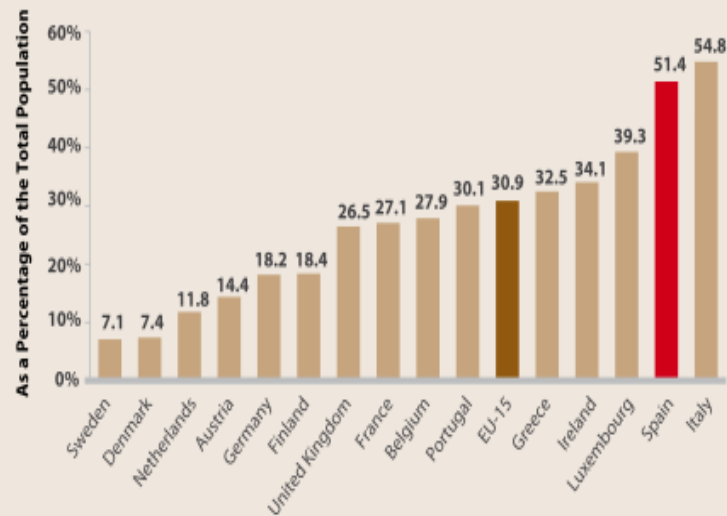


Source: Eurostat, 2012b

Contrasting outcomes with policy efforts and resources

FIGURE 7

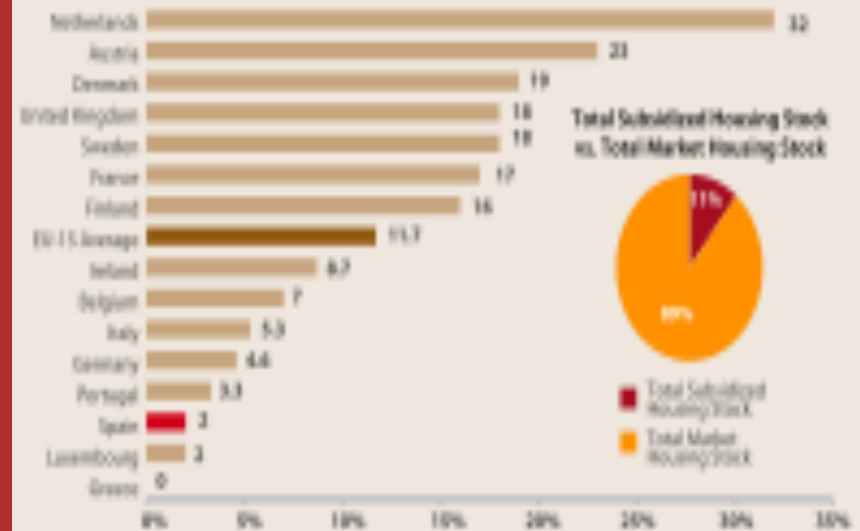
Households with Heavy Financial Burden Due to Housing Costs in the EU-15 (2010)



Source: Eurostat, 2012b

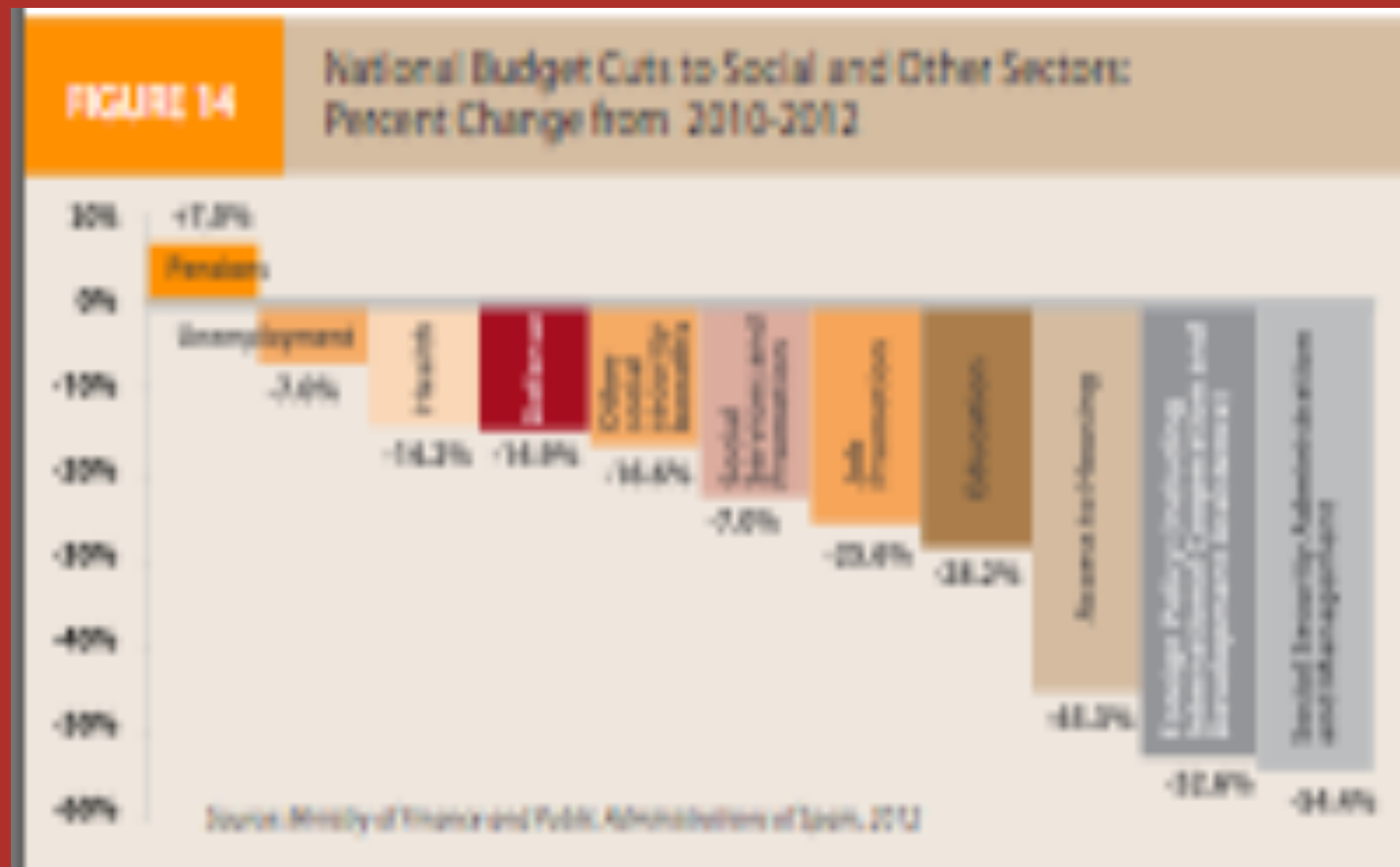
FIGURE 9

Social Rental Stock as a Percentage of the Total Housing Stock



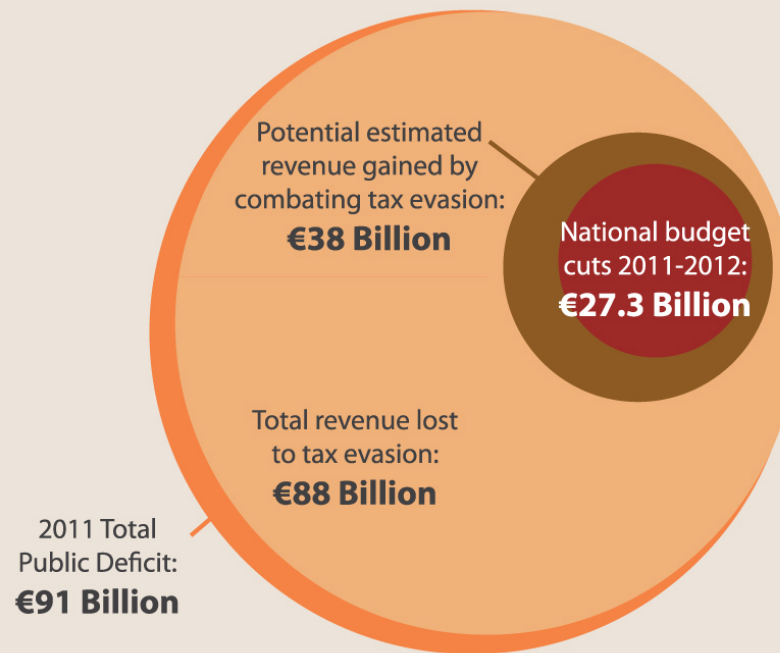
Source: CECODH Housing Europe's Observatory, 2012 and Ministerio de Fomento de España, 2011 figures

Resources cut where needed most



Policy alternatives: looking at revenue as well as expenditure

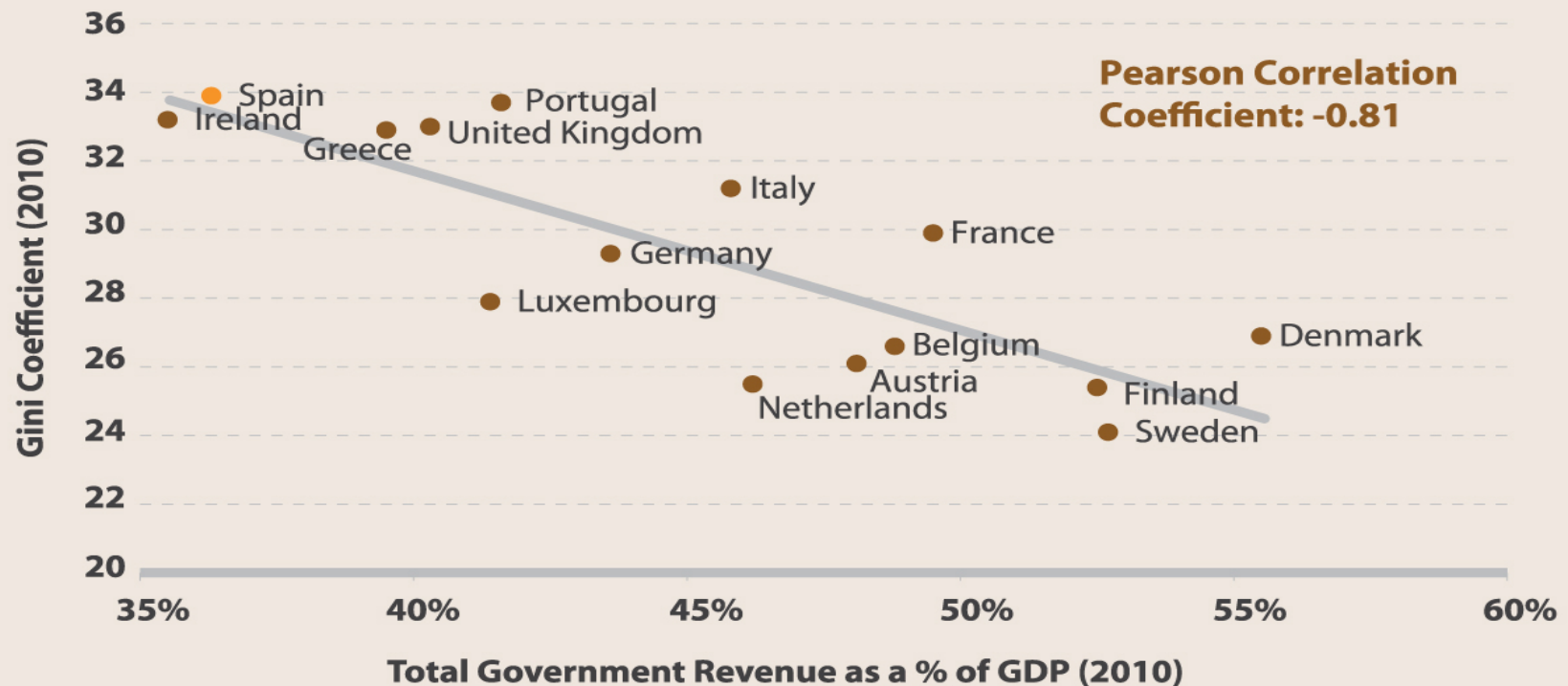
Tax Evasion vs. Budget Cuts in Spain (2012)



Source: Ministry of Finance and Public Administrations of Spain, 2012 and GESTHA, 2011

Low tax, high inequality

Government Revenue and Inequality in Europe (2010)



Eurostat, 2012b and 2012d

Lessons and ways forward

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

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