

RIGHTS IN CRISIS

An expert meeting on promoting human rights in financial regulation and macroeconomic policies

New York, 24 – 25 April 2013

Background

In 2008 the world suffered what is considered the worst global economic crisis since the “Great Depression” of the 1930s. While some recovery seemed to be underway in 2010, the global economy slowed markedly in 2011. Presently, developed countries continue to struggle to overcome the economic damage left by the financial crisis while developing countries are faced with great uncertainty and diminished growth prospects.¹

In this context, the imposition of contractionary measures (including “austerity measures”) by States may exacerbate the impacts of the global financial crisis stalling recovery. As a result of the crisis, the ability of individuals to exercise their human rights and that of States to fulfil their obligations to protect human rights has diminished. This is particularly true of the most vulnerable and marginalized groups of society that suffer from inter alia decreasing access to work and social welfare programs, and decreasing affordability of food, housing, water and other basic necessities.² The negative impacts of the financial crisis and subsequent austerity measures may also disproportionately affect women and exacerbate structural inequalities. Therefore, austerity measures raise important concerns regarding the protection of economic, social and cultural rights including with regards to the principles of non-retrogression and minimum core obligations.³

The financial crisis and the policy response that followed it, highlight the need for a critical re-examination of crisis prevention, response, mitigation, and recovery measures that adequately accounts for their human rights impacts. Critics have charged that a lack of transparency and

¹ United Nations, World Economic Situation and Prospects, 2012.

² “Report of the Office of the United Nations High Commissioner for Human Rights on the impact of the global economic and financial crises on the realization of all human rights and on possible actions to alleviate it” (A/HRC/13/38).

³ See e.g. Concluding Comments of the Committee on Economic, Social and Cultural Rights upon the review of the fifth periodic report of Spain, E/C.12/ESP/C0/5 paras. 8, 15 & 17 (18 May 2012) (calling upon Spain to ensure austerity measures do not conflict with its human rights obligations).

democratic governance in international financial institutions and the imposition of austerity measures at the national level have had wide-ranging financial and human rights implications that must be addressed. The proposed expert group meeting will support the High Commissioner's mandate to mainstream the right to development⁴ and promote the human rights accountability of crisis prevention, response, mitigation and recovery measures, financial sector governance, national and international financial regulations, and macroeconomic policies.

Objectives

Rights in Crisis, the OHCHR expert meeting on promoting human rights in financial regulation and macroeconomic policies, will:

- (a) Promote accountability by clarifying the interrelationship between the enjoyment of human rights, including the right to development, and State policies related to issues such as macroeconomic crises and responses, government expenditures, financial sector development and regulatory frameworks.
- (b) Examine the obstacles that the financial crisis and prevailing financial structures pose to the full enjoyment of all human rights including non-retrogression and the fulfilment of minimum core obligations with regards to economic, social and cultural rights.
- (c) Solicit expert opinions on the causes of the global financial crisis and its impacts, particularly on women and marginalized groups;
- (d) Explore specific applications of a human rights framework to financial crisis prevention, response and recovery in order to develop guidelines for the mainstreaming of human rights particularly with regards to:
 - promoting accountability and good governance of financial institutions through effective regulation, transparency and participation;
 - preventing inequities caused by the influence and economic importance of “too-big-to-fail” companies;
 - using human rights impact assessments and other tools to promote a human rights based approach to crisis response and recovery measures; and
 - promoting responsible and equitable bank capital requirements.

⁴ General Assembly resolution 48/141, which established the post of High Commissioner for Human Rights, includes the mandate “to promote and protect the realization of the right to development.” GA resolution 67/171 requests the High Commissioner to “undertake effectively activities aimed at strengthening the global partnership for development among Member States, development agencies and the international development, financial and trade institutions” in recognition of “the need for strong partnerships with civil society organizations and the private sector in pursuit of poverty eradication and development”.

Participants

The meeting is to include a number of participants with expertise in the areas of human rights, financial regulation, fiscal policy and development. Invitations will be extended to relevant Special Procedures mandate-holders, members of Human Rights Treaty bodies, FFD Office, members of ECOSOC, representatives of the Bretton Woods Institutions, members of the ILO, delegates to the UN, and academics and representatives of civil society.

Experts to be invited include but are not limited to: Amartya Sen (Harvard University), Mariama Williams (South Centre), Jose Antonio Ocampo (Columbia University), Smitha Francis (Economic Research Foundation), Barry Herman (New School), Marina Durano (University of the Philippines), Aldo Caliari (Centre of Concern), Atieno Ndomo (Millennium Campaign), Zdzislaw Kedzia (CESCR), Radhika Balakrishnan (Rutgers University), Siobhán McInerney-Lankford (WB), Marisa Henderson (UNCTAD), Wenyan Yang (DESA), Vinicius Pinheiro (ILO), Svein Andresen (FSB), Stephen Cecchetti (BIS), Axel Bertuch-Samuels (IMF), Hazem Fahmy (FFD), and Shireen Said (UNDP).

Modalities

The expert group meeting will take place over the course of two days from 24 – 25 April. The meeting will be planned and organized by RTDS in collaboration with NYO and external partners. It will be organized as follows:

- (a) Prior to the meeting, OHCHR will distribute a draft background note outlining the relevant basis and proposed general characteristics of a human rights-based response to financial crisis.
- (b) The first day of the meeting will be open to the public. The morning will begin with a high level opening session with 3 – 4 speakers. This session will be followed by an opportunity for general statements and interactive dialogue. The meeting will continue with insightful and thought-provoking presentations by six participants invited for this purpose. These presentations will be grouped according to subtheme and after each set of presentations there will be an interactive dialogue. These presentations will conclude the first day of the meeting.
- (c) The second day of the meeting will be a closed session devoted to expert discussion of the issues raised during the first day. The session will begin with a wrap-up of the first day's presentations and dialogues. The plenary group of participants will be asked to

identify by consensus three specific themes or priorities for further examination. Participants will be divided into three breakout groups and take turns discussing the selected themes. The session will conclude with a presentation of findings and action-oriented recommendations by representatives of the breakout groups and a discussion of next steps.

Expected output

OHCHR will draft a summary report of this activity to post on its website along with any relevant inputs, comments, papers and powerpoints from participants. OHCHR's draft background note on human rights-based approaches to financial crisis prevention and response will be refined and expanded to reflect the discussion at the expert group meeting. This document may then serve as a foundation for OHCHR's future efforts to promote human rights considerations in financial and macroeconomic policy. The outcome will also inform the HC's advocacy as well as her report to the HRC and GA on the right to development.