

SPOTLIGHT

on Sustainable Development 2021



Demanding justice beyond rhetoric

Time to overcome contradictions and hypocrisy in the COVID-19 crisis

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with contributions from



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Preface

The scourge of COVID-19 struck an already stark reality of multiple inequalities – in households, across communities, in national context, and among countries. Its waves of devastation have exacerbated pre-existing conditions and disparities as well as creating new ones.

This reality can be seen in the health numbers, the job numbers, in education, in hunger and in so many sectors. Attention to the debt burden unequally borne by countries has come to the fore but is being addressed with piecemeal relief measures for debt servicing not with the restructuring that a debt workout mechanism would bring. Furthermore, the over-reliance on a few pharmaceutical giants, their disproportionate benefits, financial and reputational, and the prevailing just-in-time business model have been ignored. While the exposure of inequalities in fiscal space has spurred measures such as the new allocation of Special Drawing Rights (SDRs), these too are inadequate to the task of a just recovery and function within flawed global financial architecture. Ignoring the multiple warnings and manifestations over decades of the ecological and climate crises has scientists from around the world and the United Nations issuing a Code Red for humanity.

Few governments and agencies have been willing to address the structural and institutional inadequacies and correct the biases baked into many governance arrangements. Advocates and observers alike have learned that this accumulation of disappointing outcomes often reflect unfair governance systems, many rooted in the post-colonial global restructuring, as well as in inadequate policy prescriptions.

Post-COVID-19 society and economy need national policies that reduce inequalities manifest in multiple ways, such as through income, gender, disability, religion and race. Policies are needed to revalue care work, reorient global value chains towards domestic priorities and jobs, both in developing and developed countries, while limiting in equitable ways fossil fuel and material consumption to planetary boundaries.

In all regions of the world new visions and policies for a sustainable transformation post COVID-19 are called for, but the actual decision-making continues to be heavily focused on fora like the G7, the G20 and the OECD, which lack a functioning people-centred and human rights accountability framework, and where the global South is often only an invited guest and sometimes excluded entirely.

Addressing these injustices and insecurities requires political will and policy space. Political will is (or should be) domestically generated by democratic processes, supported by universal standards of human rights and the 'right sharing of the world's resources'. The current structure and dynamics of global decision-making do not support this, and their outcomes often fall short failing to extend beyond reactive or short-term responses.

The COVID-19 pandemic and the climate crisis have reminded the global community of the essentials of reviewing and in many cases rewriting international rules and the urgency of Just Transition strategies to move in this direction.

This Spotlight Report describes the highly uneven socio-economic impact of the COVID-19 crisis and analyses the policy responses to it. It explores beyond the rhetoric, highlighting deepening inequalities, self-serving and hypocritical policies and governance failures at national and international level. Addressing the imbalance in global vaccine production and distribution, the report also examines a few key areas where political and structural changes are necessary to correct the limited and asymmetric recovery.

The CSOs that have contributed to this and previous Spotlight Reports have extensive experience in bringing voices, realities and analyses from countries and communities to local, national, regional and diverse global decision-making processes and fora. The contributions in this report provide a snapshot of the wealth of knowledge and commitment of independent CSOs, trade unions and social movements. They have brought many reports to the attention of the decision-making processes and have learned that equally important as their analysis and findings are *participation rights* in the shaping of sustainable just outcomes.

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1

Diverging recovery – deepening inequalities

Diverging recovery – deepening inequalities

BY BARBARA ADAMS AND JENS MARTENS, GLOBAL POLICY FORUM

The COVID-19 crisis continues to have devastating consequences across all sectors, demonstrating the impact of what the 2030 Agenda for Sustainable Development called the “enormous disparities of opportunity, wealth and power” that confront progress on sustainable development goals.¹

Development economist Jayati Ghosh summarizes the situation as follows:

- The perfect storm of COVID-19 and climate change delivers the glaring message that the apocalypse is now. The novel coronavirus mutates into more transmissible, drug-resistant variants, while climate catastrophe plays out in real time.²

WHO Director-General Tedros Adhanom Ghebreyesus sounded the alarm in January 2021 not only of a health catastrophe but also of a moral failure:

- I need to be blunt: the world is on the brink of a catastrophic moral failure – and the price of this failure will be paid with lives and livelihoods in the world’s poorest countries. Even as they speak the language of equitable access, some countries and companies continue to prioritize bilateral deals, going around COVAX, driving up prices and attempting to jump to the front of the queue. This is wrong.³

By May 2021, he was more explicit in his criticism, saying it is “not just that the world is at risk of vaccine apartheid; the world is in vaccine apartheid... The basic problem is a lack of sharing, so the solution is more sharing.”⁴

Global vaccination inequalities

A key challenge in responding to the COVID-19 pandemic is the production and fair distribution of vaccines in order to immunize the entire global population against the virus. This has been the focus of a movement for a Peoples Vaccine that is continuing to gain strength (see Box on page 80).

In adopting the 2030 Agenda and the 17 Sustainable Development Goals, governments worldwide committed under SDG 3 on health and well-being to “Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”. They also committed to:

- Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement

1 UN Doc. A/RES/70/1, para. 14.

2 <https://www.networkideas.org/news-analysis/2021/08/apocalypse-or-cooperation/>

3 <https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-148th-session-of-the-executive-board>

4 <https://www.who.int/director-general/speeches/detail/director-general-s-opening-remarks-at-paris-peace-forum-spring-meeting-17-may-2021>

and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all (SDG 3b.).

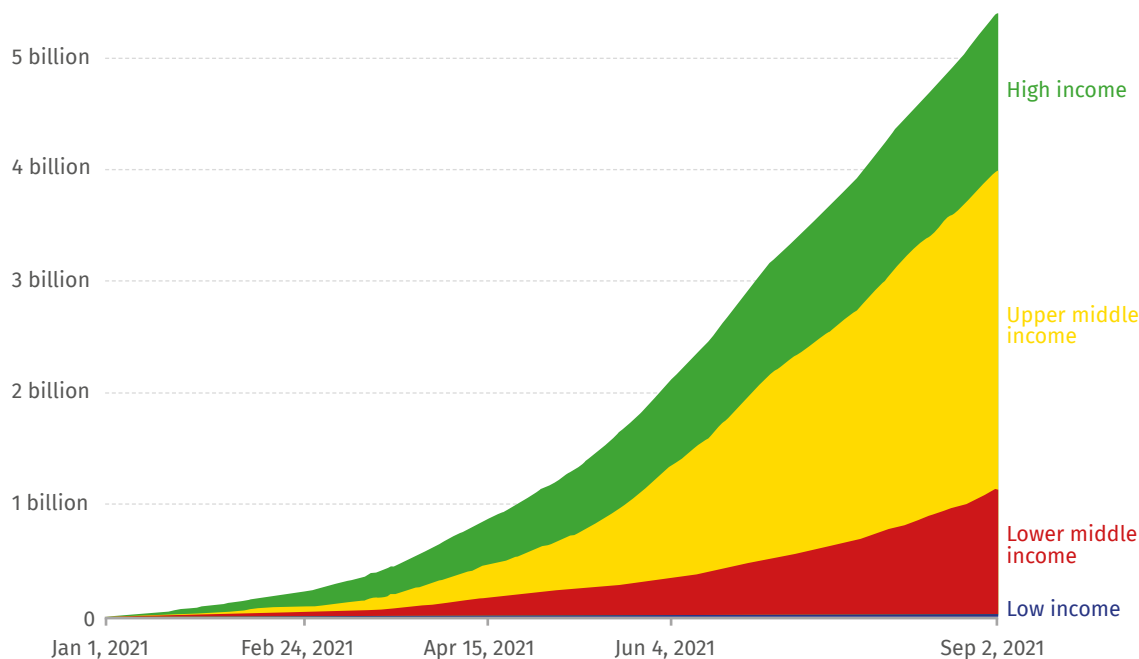
The world is far from achieving this target in the production and distribution of COVID-19 vaccines. By 1 September 2021, about 5.4 billion doses of a COVID-19 vaccine have been administered globally. But while more than 50 percent of people in high-income countries had received at least one dose, the share in low-income countries was only 1.8 percent (see Figure 1.1). In many African countries, the share of people fully vaccinated against COVID-19 was lower than 1 percent.

Commission, the United States, the United Kingdom, and numerous other countries have signed bilateral COVID-19 Vaccine Agreements with vaccine producers to secure vaccine quotas. By the end of August 2021, more than 400 agreements were concluded by these countries,⁵ securing over 18 billion doses of vaccine.

The European Commission has so far negotiated supply agreements for 4.1 billion doses of vaccine, equivalent to 8 vaccine doses per capita of the EU population. The UK could vaccinate its population 9 times with the contracted doses, the USA 10 times and Canada as many as 16 times.⁶

Exacerbating the problem for many countries in the global South is the enormous cost of vaccines.

Figure 1.1
COVID-19 vaccine doses administered by country income group



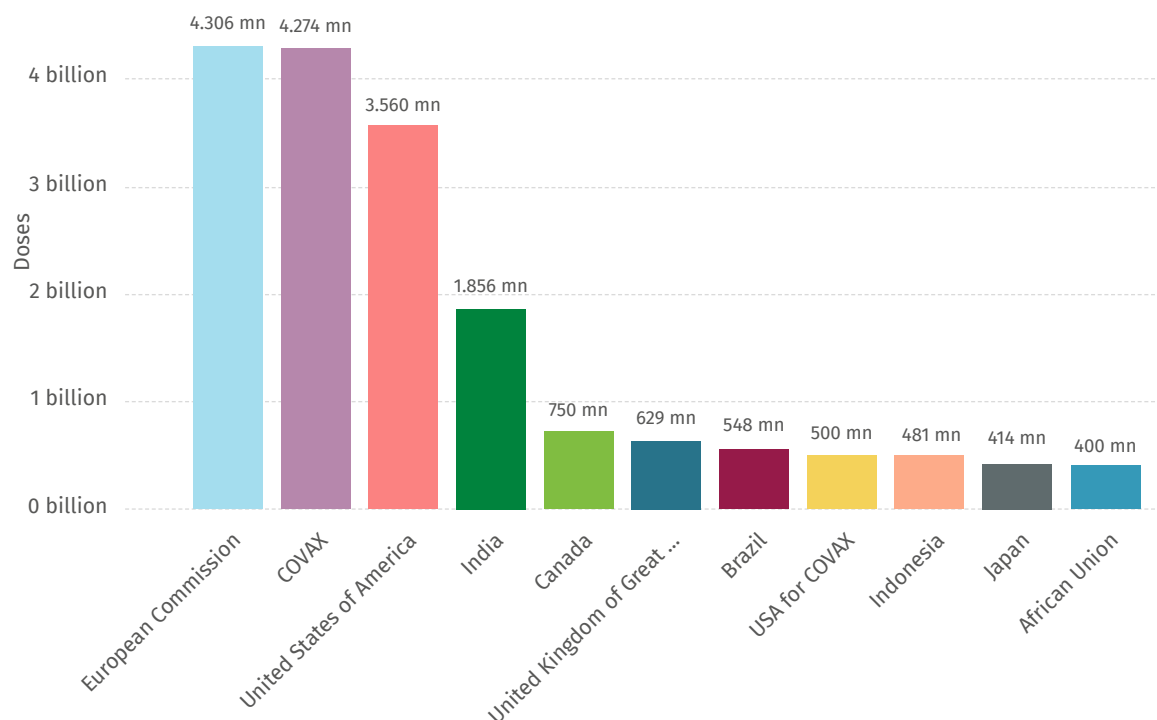
Source: Official data collated by Our World in Data, World Bank (<https://ourworldindata.org/covid-vaccinations>)

The World Health Organization (WHO) made an early appeal to countries to agree on a coordinated distribution of vaccines, with available doses distributed fairly according to the size of each country's population. This has not happened. The European

⁵ <https://www.unicef.org/supply/covid-19-vaccine-market-dashboard>

⁶ Own calculation based on <https://www.unicef.org/supply/covid-19-vaccine-market-dashboard>

Figure 1.2
COVID-19 vaccine supply agreements by the top 10 recipient countries/groups (number of doses)



Source: <https://www.unicef.org/supply/covid-19-vaccine-market-dashboard> (1 September 2021)

Even though supply contracts are secret, more and more price information has been disclosed in recent months. UNICEF publishes it regularly on its Vaccine Market Dashboard (<https://www.unicef.org/supply/covid-19-vaccine-market-dashboard>). The cheapest dose of the COVID-19 vaccine costs US\$ 2.19 (AstraZeneca), the most expensive US\$ 37.00 (Moderna). The producers do not charge standard prices, but vary their prices depending on the quantity purchased and the bargaining power of the purchaser.

Occasionally, producers grant preferential terms to rich countries, while countries in the global South sometimes have to pay higher prices. For example, the European Commission received a batch of AstraZeneca vaccine for US\$ 2.19, while Argentina had to pay US\$ 4.00 and the Philippines US\$ 5.00. Pfizer/BioNTech and Moderna's mRNA vaccines are much more expensive. The African Union had to pay

US\$ 6.75 for one dose of the Pfizer/BioNTech vaccine, while the European Commission had to pay as much as US\$ 23.15. Botswana had to pay US\$ 14.44 million for 500,000 doses of Moderna vaccine, or US\$ 28.88 per dose, while the USA got Moderna's vaccine at almost half the price (US\$ 15.00).

The prices of other vaccine manufacturers have similar differences. The price per dose of Chinese manufacturers Sinopharm and Sinovac range between US\$ 10 and US\$ 36, the Russian Sputnik V vaccine costs between US\$ 10.00 and US\$ 27.00 per dose. Only the prices of the Serum Institute of India are far below that, at US\$ 3.00 to US\$ 5.00.

Skyrocketing profits of vaccine producers

The oligopoly of vaccine producers makes exorbitant profits, as the actual production costs of COVID-19 vaccines are many times lower than their market price. According to estimates in a study published by Public Citizen, production costs for mRNA vaccines range from US\$ 1.18 (Pfizer/BioNTech) to US\$ 2.88 (Moderna).¹

The U.S. pharmaceutical company Pfizer expects a massive increase in sales of more than 85 percent from US\$ 41.9 billion to US\$ 78-80 billion in 2021.² Of this, US\$ 33.5 billion is attributable to the COVID-19 vaccine alone. Pfizer's net income in the first six months of 2021 increased by 53 percent compared to the same period in 2020, to US\$ 10.4 billion.³

Pfizer's German partner BioNTech also forecasts a massive increase in sales in 2021 and a net profit of €3.9 billion in the first six months of 2021 (compared with a net loss of € 142 million in the same period last year).⁴ BioNTech's stock market value exceeded the US\$ 100 billion threshold for the first time in August 2021.⁵ The co-founder, CEO and one of the main shareholders of BioNTech Uğur Şahin became a billionaire as a result of the pandemic. According to Forbes magazine, he is one of at least 40 newcomer billionaires who draw their fortunes from companies involved in fighting COVID-19.⁶ They are among the main profiteers of the pandemic.

1 Zoltán Kis and Zain Rizvi, How to Make Enough Vaccine for the World in One Year. Washington, D.C.: Public Citizen, 2021, <https://www.citizen.org/article/how-to-make-enough-vaccine-for-the-world-in-one-year/>

2 https://annualreview.pfizer.com/files/Pfizer-Annual-Review-2020_Interactive-PDF.pdf and <https://investors.pfizer.com/investor-news/press-release-details/2021/PFIZER-REPORTS-SECOND-QUARTER-2021-RESULTS/default.aspx>

3 Ibid.

4 <https://investors.biontech.de/de/investors-media> und <https://investors.biontech.de/de/news-releases/news-release-details/biontech-veroeffentlicht-ergebnisse-des-zweiten-quartals-2021>

5 <https://www.wiwo.de/unternehmen/industrie/boersenwert-biontech-ueberspringt-100-milliarden-dollar-marke/27485444.html>

6 <https://www.forbes.com/sites/giacomotognini/2021/04/06/meet-the-40-new-billionaires-who-got-rich-fighting-covid-19/?sh=5c12de4417e5>. The People's Vaccine Alliance listed nine new billionaires with a combined net wealth of US\$ 19.3 billion, enough to fully vaccinate all people in low-income countries 1.3 times, <https://www.oxfam.org/en/press-releases/covid-vaccines-create-9-new-billionaires-combined-wealth-greater-cost-vaccinating>

People in the countries of the global South, already facing inequitable vaccine distribution, are also confronted with falling government revenues and rising debt burdens. The situation will worsen as regular vaccine boosters become necessary in the coming years. What is tantamount to a license to print money for the pharmaceutical companies is a massive burden on public budgets. Scientists warned against this background as early as February 2021 in an article in *The Lancet*:

■ If governments in resource-constrained settings divert resources from other vaccination programmes or essential health-care services to

pay for COVID-19 vaccines and vaccination programmes, health budgets could be distorted with long-term adverse consequences for health and economic development.⁷

Increasing global vaccine production capacity, lowering market prices, and substantially increasing public financial support are vital, especially for the poor and disadvantaged people in the global South.

7 [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)00306-8/fulltext#fig2](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)00306-8/fulltext#fig2)

Technology transfer and patent waiver/release to reduce vaccination inequalities

In May 2020, WHO established the COVID-19 Technology Access Pool (C-TAP) at the initiative of Costa Rica.⁸ This aims to pool voluntary licenses, study/research and regulatory data, and existing know-how to accelerate technology transfer to overcome the vaccine shortage. The expectation of C-TAP was to fulfill the goal of making vaccines and other medical technologies truly global public goods. The model was the successful pool for patents and licenses on drugs for AIDS treatment. C-TAP is supported by some 40 countries, including six countries in the global North (Belgium, Luxembourg, the Netherlands, Norway, Portugal and Spain).⁹ Most countries with large vaccine production capacity, such as the USA, Germany, China and India, do not support the initiative. Thus, it has so far remained without any noticeable impact.

Faced with scarce global production capacity, India, South Africa, Kenya and Eswatini applied for a waiver under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) in the World Trade Organization (WTO) in October 2020 to temporarily remove patent protection for COVID-19-related vaccines, medicines and devices. The TRIPS waiver is intended to enable manufacturers in the global South in particular to produce medicines and vaccines more quickly and at lower cost (see Special Contribution 1.1 by K.M. Gopakumar of Third World Network). More than 100 countries support this initiative, including the USA as of May 2021.¹⁰ The EU, the UK, Switzerland and the pharmaceutical companies and lobby groups based in these countries are particularly opposed, arguing that the biggest barrier is not the patents, but a lack of production capacity. However, various studies, as the one for example

by the NGO Knowledge Ecology International (KEI), show that there are production facilities in numerous countries of the global South, such as Egypt, Brazil, India, Mexico, Morocco, Senegal and South Africa, which could be used or expanded for the production of COVID-19 vaccines.¹¹

Winnie Byanyima, Executive Director of UNAIDS, warns:

- While the companies making massive profits from COVID vaccines are refusing to share their science and technology with others in order to increase the global vaccine supply, the world continues to face the very real risk of mutations that could render the vaccines we have ineffective and put everyone at risk all over again.¹²

In this context, the more fundamental question arises as to whether medicines vital to realize the human right to health should be patented at all. Should they not in principle be considered global public goods, especially when, as in the case of the COVID-19 vaccines, billions of dollars of public money have gone into research and development? The inventor of the polio vaccine in 1955, Jonas Salk, when asked who owned the patent for his vaccine, responded, “Well, the people, I would say. There is no patent. Could you patent the sun?”¹³

8 <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/global-research-on-novel-coronavirus-2019-ncov/covid-19-technology-access-pool>

9 <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/global-research-on-novel-coronavirus-2019-ncov/covid-19-technology-access-pool/endorsements-of-the-solidarity-call-to-action>

10 <https://ustr.gov/node/10649>

11 <https://www.keionline.org/covid-19-vaccine-manufacturing-capacity>

12 <https://www.oxfam.org/en/press-releases/covid-vaccines-create-9-new-billionaires-combined-wealth-greater-cost-vaccinating>

13 Quoted from: <https://www.thenation.com/article/society/the-covid-19-vaccine-should-belong-to-the-people/>

The struggle for the TRIPS waiver

BY K.M. GOPAKUMAR, THIRD WORLD NETWORK

On 1 October 2020, four countries – Eswatini, India, Kenya and South Africa – approached the World Trade Organization’s TRIPS Council to seek a waiver from certain obligations on the protection and enforcement of patents, trade secrets, copyrights, and industrial design. The waiver would enable WTO member states to provide policy space around “intellectual property for the prevention, containment, and treatment of COVID-19”. Since then, the proposal has attracted widespread support from WTO member states with the co-sponsorship of 63 member states, academia, CSOs and political leadership. On 5 May 2021, the USA announced its support for the waiver of intellectual property (IP) rights for COVID-19 vaccines. The idea is to address the huge global shortage of various medical products required for the COVID-19 response – vaccines in particular – by scaling up production, using multiple manufacturers (including ‘local production’, which is located and owned in developing countries). Yet so far, WTO member states where big pharmaceutical industries are based – like the EU, Switzerland and the UK – are blocking the negotiations to arrive at a consensus on the waiver decision text.

A global shortage

In the pre-COVID-19 world, trade in medical products was concentrated in a few countries. For instance, 49 percent of medical product exports emanate from five countries – Belgium, Germany, the Netherlands, Switzerland, and the USA.¹ Further, China, Germany and the USA control 40 percent of the global supply of personal protective equipment (PPE), while in 2019 these three countries supplied 50 percent of global mask requirements. China, the Netherlands, Singapore and the USA account for more than half of the exports of ventilators and respirators.² Similarly, four multinational corporations – GlaxoSmithKline, Pfizer, Merck, Sanofi – control 90 percent of global vaccines value and 60 percent of the volume.³

The surge in demand for medical products during the pandemic has benefited wealthy countries. An UNCTAD report shows that “There is substantial evidence that middle- and low-income countries have been largely priced out from access to COVID-19 related products. Despite efforts to facilitate access to COVID-19 supplies, trade statistics show that only a tiny fraction of the additional world production of COVID-19 related supplies have reached low-income countries”.⁴ By the end of 2020, developed countries where 13 percent of the global population live had bought up 52 percent of the available vaccine doses for 2021.⁵ An even higher percentage of the two vaccines with the highest claimed efficacy rate – Pfizer (80%) and Moderna (78%) – have been booked by developed countries.⁶ This inequality in accessing COVID-19 health products is visible in the vaccine coverage. Ten countries account for 76 percent of the 4.31 billion COVID-19

1 WTO, Trade in Medical Goods in the Context of Tackling Covid 19, https://www.wto.org/english/news_e/news20_e/rese_03apr20_e.pdf

2 Ibid.

3 WHO, Global Vaccine Market Report 2020, p.4, https://www.who.int/immunization/programmes_systems/procurement/mi4a/platform/module2/2020_Global_Vaccine_Market_Report.pdf?ua=1

4 UNCTAD, Global Trade Update, October 2020, p. 6, https://unctad.org/system/files/official-document/ditcinf2020d4_en.pdf

5 Oxfam, <https://www.oxfam.org/en/press-releases/small-group-rich-nations-have-bought-more-half-future-supply-leading-covid-19>

6 Ibid.

vaccines doses administered till 23 July 2021.

Addressing this inequality can be achieved only through scaling up production via multiple producers around the world. There are many barriers to local products, such as access to relevant technologies, capital, human resources, et cetera, but the most significant is the global intellectual property (IP) regime, which legally prevents the production of patented technologies without the permission of the IP holder. Since these technologies are not available in the market at any price, the only option is to emulate these technologies without the permission of the IP holder – so-called ‘reverse engineering’. Yet as we have seen in past health crises, notably HIV/AIDS, the IP holder can legally block these efforts to prevent the local scaling up of production.

Intellectual property rights

The rights of the IP holder work in effect as a monopoly by preventing all competitors from using or producing the IP protected technologies or products. All too often, this monopoly is misused by the IP holders, who charge exorbitant prices which prevent people and governments from accessing those products. This IP regime is enforced globally by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which came into force in 1995. It obligates all World Trade Organization member states except least developed countries to provide a minimum level of

protection and enforcement of IP rights.

We have seen in the case of the AIDS crisis the effect of this on access to medicines. Though anti-retroviral (ARV) treatments for HIV/AIDS were available in developed countries in the early 1990s, the vast majority of people living with HIV/AIDS in developing countries could not access these lifesaving medicines. Pharmaceutical companies powered with patents charged US\$ 10,000-US\$ 12,000 per person per year for ARVs.⁷ It was not until the introduction of generic ARVs in 2001 by Indian generic pharmaceutical companies, reducing the price to US\$ 350, that universal access to ARV treatment started to become a reality.

It's not just in the global South that this is a problem – patent monopolies also deny access to medicines in developed countries. In many European countries, Sofosbuvir, a medicine to treat hepatitis C, is rationed due to the high price, while it is available to hepatitis C patients in many developing countries due to the availability of affordable generics.⁸ In the UK, the regulator NICE

has refused to approve Sorafenib, a drug that can extend the life of a liver cancer patient by six months, citing the inadequate benefit compared to the high price (US\$ 5,000 per month).⁹ Yet the same medicine is available in India at US\$ 450-US\$ 650 for six months from generic manufacturers.

Anticipating the threat of patents on access, a few WTO member states such as Canada, Chile, Colombia, Ecuador, France, Germany and Hungary have initiated steps to amend patent laws to make the issuance of compulsory licences (CL) easier. Israel and Russia have issued compulsory licences on two medicines used experimentally to treat COVID-19, lopinavir/ritonavir and remdesivir. However, the use of CLs is product and country-specific. As a result, free global availability of medical products and easy movement around the world is possible only after the issuance of CLs in a critical mass of countries. Yet past political pressure exerted by developed countries has produced a ‘chilling effect’ on the use of CL among developing countries, making it very rare. What's more, there is no concept of CL in the context of trade secrets, which are important for emulating vaccine

7 MSF, Patents, prices and patients: the example of HIV/AIDS, 2002, <https://www.msf.org/patents-prices-patients-example-hiv-aids>

8 Isaura Santos, Hepatitis C Patients Protest Limited Access to Sofosbuvir, Hepatitis News Today, 14 January 2015, <https://hepatitisnewstoday.com/2015/01/14/hepatitis-c-patients-protest-limited-access-to-sofosbuvir/>

9 Selina McKee, NICE rejects Bayer's Nexavar for liver cancer, Pharma Times, 19 August 2016, http://www.pharmatimes.com/news/nice_rejects_bayers_nexavar_for_liver_cancer_1103639

technology.¹⁰

A waiver of these obligations would enable countries to facilitate access to IP-protected medical products at an affordable price. Instead of engaging in the discussion, however, opponents of the waiver, especially the EU, are indulging in a diversionary tactic of placing a new proposal on the table or denying the role of IP in the scaling up of the COVID-19 health products. Maintenance of the IP status quo in the context of COVID-19 vaccines is facilitating the monopoly and rent-seeking from public-funded research and development. The current global shortage of COVID-19 medical products underlines the urgent need to revamp the global IP regime to allow governments to address the health needs of their people.

10 K M Gopakumar, Chetali Rao and Sangeeta Shashikant, Trade Secret Protection and Vaccines: The Role of Regulatory Agencies, TWN Briefing Paper, https://twn.my/title2/briefing_papers/twn/Trade%20secrets%20TWNBP%20Jun%202020%20Gopakumar%20et%20al.pdf

The multi-stakeholder response to COVID-19

In order to accelerate development, production and equitable access to COVID-19 tests, treatments and vaccines, the WHO and several partners – including France, the EU and the Bill & Melinda Gates Foundation – launched the Access to COVID-19 Tools (ACT) Accelerator in April 2020.¹⁴

This has shifted the centre of the global COVID-19 response from WHO to a multi-stakeholder initiative with its own governance and decision-making structure, thereby further weakening WHO's role in the global health architecture. Further, WHO has handed over the lead for global coordination of COVID-19 immunization to the newly created COVAX initiative (on the risks and side effects of this new example of multi-stakeholderism see Special Contribution 1.2. by Harris Gleckman).¹⁵

¹⁴ <https://www.who.int/initiatives/act-accelerator>

¹⁵ <https://www.gavi.org/covax-facility>

COVAX: Risks and side effects of multi-stakeholder governance

BY HARRIS GLECKMAN, ASSOCIATE, TRANSNATIONAL INSTITUTE¹

COVAX is the leading organization outside of Big Pharma distributing COVID-19 vaccines in the global South. With the support of the major Northern governments, COVAX has displaced the WHO and the UN humanitarian funds from this crucial global role. COVAX has set for itself an initial goal of providing vaccines to 20 percent of the people in the poorest 92 countries of the world. Because of this role, and the power it reflects, COVAX, a global multi-stakeholder group, poses political and health risks to developing countries and to multilateralism.

COVAX is unusual as a multi-stakeholder group in that it was set up – and is run – by two other multi-stakeholder groups, Gavi, the Vaccine Alliance, and the Coalition for Epidemic Preparedness Innovations (CEPI), both of which have strong relationships with the World Economic Forum, the Bill and Melinda Gates Foundation and Big Pharma. WHO, the

only public body involved in the creation of COVAX, is but a junior partner.

The dominance of the two multi-stakeholder groups and Big Pharma is clear in the very structure of COVAX.² The COVAX Coordinating Meeting (CCM), the highest level body in COVAX, meets fortnightly to ensure alignment between the sponsors and its workstreams and task-forces. The CCM is co-chaired by the Board Chairs of CEPI and of Gavi. The Director General of the WHO is simply a member of the CCM along with two other senior Gavi staff, two other senior CEPI staff; a senior staff member from UNICEF, ‘industry partner representatives’ from the International Federation of Pharmaceutical Manufacturers & Associations and the Developing Countries Vaccine Manufacturers Network; and a CSO representative from the International Rescue Committee.

As with other multi-stakeholder

bodies, it is crucial to see what organizations are presented as ‘real stakeholders’ and which potential ‘stakeholders’ are ignored. Missing from this governance leadership structure are relevant government officials and representatives of indigenous peoples, patient organizations, healthcare advocates, medical scientists and social movements, particularly those for potential beneficiary countries.

Even the operational management of the COVAX Facility Office is located within Gavi. This Office oversees the core day-to-day linkage of the founding organizations with the advisory groups and nine workstreams. As the Gavi website notes, “The Board of Gavi, the Vaccine Alliance is responsible for overseeing the Facility and will have ultimate responsibility for the decisions and effective implementation of the COVAX Facility”. Two of these COVAX taskforces, that are charged with prioritizing country recipients, are led by the two founding multi-stakeholder groups.

The composition of the COVAX Coordinating Meeting and the internal working arrangements

¹ This box is an updated extract of a paper published by Friends of the Earth International and the Transnational Institute in April 2021, see <https://longreads.tni.org/covax>

² All the organizational information is from https://www.gavi.org/sites/default/files/covid/covax/COVAX_the-Vaccines-Pillar-of-the-Access-to-COVID-19-Tools-ACT-Accelerator.pdf

of COVAX effectively marginalize the WHO as the lead global health authority in this crucial area.

The UN system is in a bind. It is weakened by decades of underfunding, public attacks and political marginalization, particularly by major OECD countries, their media and leading policy institutions. UN Secretariats are also constrained by non-actions of their supervisory intergovernmental bodies. Unfortunately, then the choice the UN system appears to have made is to admit defeat and align itself with multi-stakeholderism.

For the people in the 92 COVAX countries, COVAX departs from traditional emergency intervention actions in a number of ways. In humanitarian crises, the international community provides resources to victims at no cost. COVAX is not following this practice. Rather it is selling the vaccine to the countries at a discount, contributing to a market-based approach to healthcare and the undermining of SDG 3 on health and well-being. In addition, COVAX, in line with Big Pharma's new practice, is requiring that purchasing governments provide COVAX with a waiver of liabilities, a condition that is not required from major Northern governments. In pre-COVID times, international aid was directed at least in principle to all impacted by a crisis. COVAX's founding goal is to provide COVID care to only 20 percent of the population, officially leaving the vast majority outside international support to

protect themselves from COVID.

If COVAX does not overcome vaccine nationalism and the purchasing power of richer countries, it may well leave countries and people which turned to COVAX without adequate vaccines going into 2023 and 2024. With its public build-up of expectations, what will be the likely political consequences?

Governments of the 92 countries and donor governments are not likely to limit their complaints to the advisory COVAX government committee. They are far more likely to air their complaints in an open forum at the World Health Assembly or at the UN General Assembly. These international complaints may well be driven by governments responding to domestic opposition and anger that their citizens are not getting the 'promised' international vaccines in a timely manner. Here then is one of the unstated roles for the multilateral system and the decisions by its executive heads to participate in COVAX: to absorb public complaints. The UN system, badly bruised in other ways from the COVID pandemic, does not need additional negative publicity by protecting COVAX and its sponsors. And 100 percent of the people in the COVAX countries do not need to be used to further the commercialization of healthcare.

COVAX is the vaccines pillar of the Access to COVID-19 Tools (ACT) Accelerator. It is co-led by the Coalition for Epidemic Preparedness Innovations (CEPI), Gavi and the WHO, alongside key delivery partner UNICEF. COVAX's initial and very ambitious aim was to guarantee fair and equitable access to COVID-19 vaccines for every country in the world. COVAX should be responsible for the pooled procurement and equitable distribution of COVID-19 vaccines, based on a Fair Allocation Framework developed by WHO.¹⁶

WHO's Fair Allocation Framework originally envisioned two phases:

1. An initial proportional allocation of doses to countries until all countries reach enough quantities to cover 20% of their population
2. A follow-up phase to expand coverage to other populations. If severe supply constraints persist, a weighted allocation approach would be adopted, taking account of a country's COVID threat and vulnerability.

With the unilateral approach of the rich countries to vaccine procurement (vaccine nationalism), COVAX has failed in its claim to serve a global coordination function. In view of the fact that the European Commission alone has secured 4.1 billion vaccine doses through bilateral supply contracts, the verbal commitment of its president, Ursula von der Leyen, seems more than hypocritical: "To overcome coronavirus, vaccines must reach all corners of the planet, as soon as possible. COVAX is our best vehicle to ensure universal and equitable access to COVID-19 vaccines."¹⁷

COVAX's primary task has been refocused to provide COVID-19 vaccines to the 92 low- and middle-income countries of the global South with the objective to provide at least 2 billion COVID-19 vaccine doses by the end of 2021, including at least 1.8 billion to these

92 countries by early 2022.¹⁸

Whether this will actually happen is questionable. COVAX announced it has, as of July 2021, contracted 3.8 billion vaccine doses from producers and has purchase options for a further 1.3 billion.¹⁹ However, by 3 September 2021 just 236 million vaccine doses had been delivered via COVAX to 139 countries.²⁰

COVAX is funded primarily through voluntary contributions to the COVAX AMC. To date (as of August 2021), it has received pledges of US\$ 9.825 billion. In addition, it has received US\$ 799 million to support vaccine delivery and/or logistics.

The largest donors are the United States, Germany, Japan, the United Kingdom, the European Commission, and Italy (see Figure 1.3). The largest non-governmental donor is the Bill & Melinda Gates Foundation. Although the Foundation's financial contribution ranks it only 11th among donors, it has a seat on the key bodies of COVAX.²¹

The funds pledged to date are nowhere near enough to provide sufficient vaccines for the around 4 billion people in the 92 poorest countries.

16 <https://www.who.int/publications/m/item/fair-allocation-mechanism-for-covid-19-vaccines-through-the-covax-facility>

17 <https://www.gavi.org/sites/default/files/covid/covax/Gavi-COVAX-AMC-Investment-Opportunity.pdf>

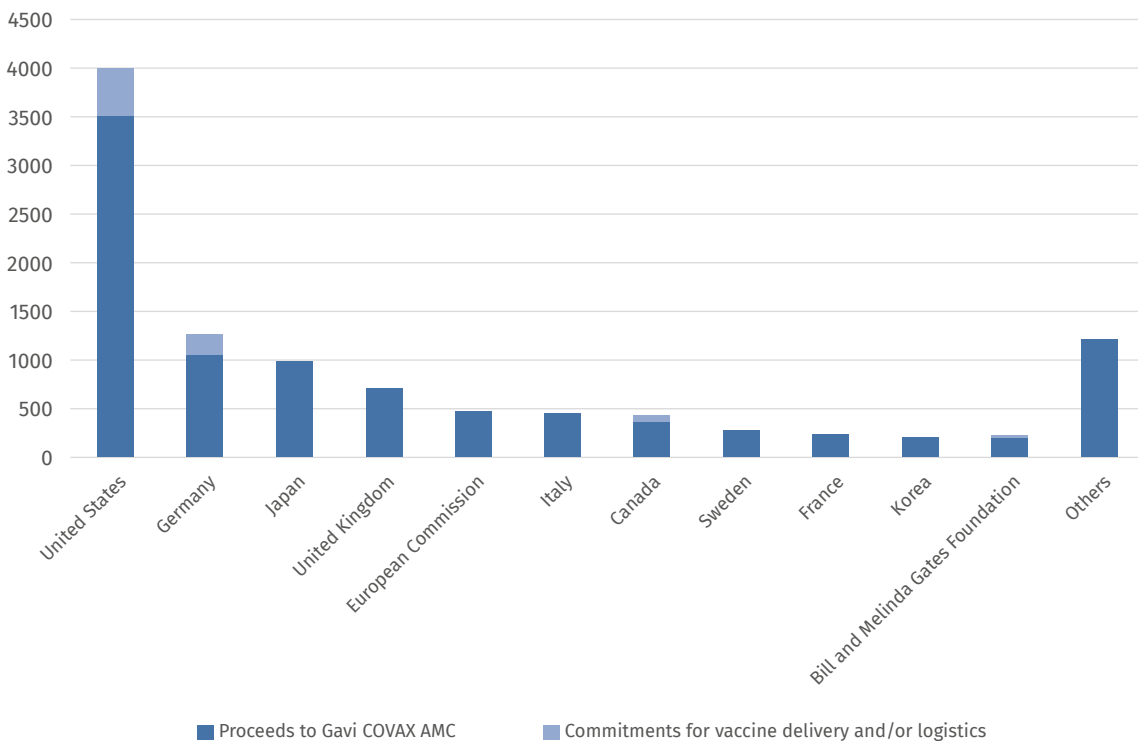
18 <https://www.who.int/news/item/27-05-2021-covax-joint-statement-call-to-action-to-equip-covax-to-deliver-2-billion-doses-in-2021>

19 <https://www.gavi.org/sites/default/files/covid/covax/COVAX-Supply-Forecast.pdf>

20 <https://www.gavi.org/covax-facility>

21 <https://www.gavi.org/news/document-library/covax-pillar-structure-and-principles>

Figure 1.3
COVAX major donors (in million US\$, as of 6 August 2021)



Source: <https://www.gavi.org/news/document-library/covax-amc-donors-table>

In addition to voluntary financial contributions, COVAX is increasingly receiving ‘in-kind’ donations of surplus vaccine doses from wealthier countries. To date, 16 countries have announced plans to donate 640 million vaccine doses by the end of 2022.²² The German government plans to donate 100 million vaccine doses by the end of 2021, but only on the premise that all ordered doses will be delivered (which is not expected). COVAX will thus become a ‘thrift shop’ for surplus vaccines from rich countries.

The policy of vaccinating one’s own population first and then donating the hoarded surplus doses to the rest of the world is heavily criticized. The WHO Director-General stated:

■ Not only does this me-first approach leave the world’s poorest and most vulnerable people at risk, it’s also self-defeating. Ultimately, these actions will only prolong the pandemic, the restrictions needed to contain it, and human and economic suffering. Vaccine equity is not just a moral imperative, it is a strategic and economic imperative.²³

Charity-based or rights-based?

Vaccine equity is a human rights imperative as well as a health one. With the UN Covenant on Economic, Social and Cultural Rights, all signatory States have committed themselves under international law to protect the rights of people who do not live on their territory, within the limits of their financial

²² <https://www.gavi.org/news/document-library/covax-dose-donation-table>

²³ <https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-148th-session-of-the-executive-board>

resources. This extraterritorial state obligation also applies to the right to health. The UN Committee on Economic, Social and Cultural Rights stated this clearly:

■ Instead of pursuing health isolationism and a race for a vaccine, States should honour their obligations to contribute to the enjoyment of all human rights, including the right to health, globally. The distribution of vaccines and the prioritization of access to them should be organized and supported by international cooperation and assistance, which includes the sharing of benefits of scientific progress and its applications. States parties should therefore develop strategies and mechanisms for a fair distribution of the financial costs associated with research into and the production and distribution of vaccines for COVID-19, including through a reduction in the debt burden for countries that need it. They should also adopt transparent and participatory mechanisms that ensure that prioritization in the global distribution of vaccines is based – as should be the case also at the national level – on medical needs and public health considerations. Such support can be organized by using the WHO-supported COVAX Global Vaccines Facility.²⁴

To realize the human right to health as well as the commitments under SDG 3, appeals to goodwill and voluntary initiatives by States are not enough. The COVID-19 pandemic has painfully demonstrated the absence of a global health system. This reality has led the president of the European Council, Charles Michel, and the WHO Director-General, Tedros Adhanom Ghebreyesus, to propose an International Treaty on Pandemic Preparedness and Response. Its goal is to create a legally binding framework and improved global governance structures for pandemic preparedness and response. On 30 March 2021,

26 heads of State and government endorsed this call.²⁵ Whether it can actually bring progress and help overcome the structural weaknesses of the global health architecture, such as the underfunding of the WHO, is unclear. Depending on its design, it could lead to an actual strengthening of the WHO and its instruments, or to its further weakening by outsourcing pandemic preparedness and response to multi-stakeholder bodies with limited democratic legitimacy (see Special Contribution 1.3 by Nicoletta Denticio of SID).

²⁴ UN Committee on Economic, Social and Cultural Rights (2020): Statement on universal and equitable access to vaccines for the coronavirus disease (COVID-19). Geneva (UN Dok. E/C.12/2020/2) (<https://undocs.org/E/C.12/2020/2>), para. 11.

²⁵ Albania, Chile, Costa Rica, the European Council, Fiji, France, Germany, Greece, Indonesia, Italy, Kenya, the Netherlands, Norway, Portugal, the Republic of Korea, Romania, Rwanda, Senegal, Serbia, South Africa, Spain, Thailand, Trinidad and Tobago, Tunisia, the United Kingdom, and Ukraine, <https://news.un.org/en/story/2021/03/1088652>, see also <https://blogs.bmj.com/bmj/2021/05/23/an-international-treaty-for-pandemic-preparedness-and-response-is-an-urgent-necessity/>

The WHO pandemic treaty proposal: responding to needs or playing COVID geopolitics?

BY NICOLETTA DENTICO, SOCIETY FOR INTERNATIONAL DEVELOPMENT (SID)

A catastrophe that should not have happened

The coronavirus disease (COVID-19) crisis has ignited eagerness for new binding instruments in some circles of the global health arena. This is an unexpected development, in many ways: health policy arrangements are mostly grounded on soft norms, and the WHO has adopted binding agreements only twice in its 76 years of history. On several occasions, a clear syndrome of opposition to treaty proposals in past negotiations at the WHO¹ had been manifested by those very influential member states that are now spearheading the idea of a binding treaty for pandemic preparedness and response. The emergency scenario triggered by SARS-CoV-2 has apparently healed the treaty fatigue symptoms - particularly after the labourious negotiations on the Framework Convention on Tobacco Control

(FCTC)² - that several multilateral public health actors had pretexted as the origin of their reluctance to binding norm-setting. The proclaimed intention now is to build a more robust global health architecture that will protect future generations.³ The diagnosis is that there will be other pandemics and major health emergencies in the future, threats for which no single government or multilateral agency can tackle alone.

There is no doubt that COVID-19 and other recent health emergencies (in early August 2021, national authorities confirmed the first ever case of the highly infectious Marburg virus disease in West Africa) have shown that the world is still not effectively able to prepare for, predict, prevent, respond to and recover from a multi-country outbreak or pandemic. The fact is, as the WHO Independent Panel for Pandemic Preparedness and Response has reminded us in its outspoken report on the woeful reality of

COVID-19,⁴ that the pandemic should never have occurred in the first place. Not only did the new coronavirus arrive in a world that had ignored warnings coming from public health officials, infectious disease experts, and the majority of recommendations from previous international commissions and organizations, but the international community had all the technical knowledge and tools to confine the viral evolution and make SARS-CoV-2 a geographically controlled epidemic. It simply did not do it.

The COVID-19 slide from an outbreak into a pandemic, with its attendant social and economic crises, is the consequence of failed government leadership and cooperation at national and international levels. But another part of the story has to do with the difficulties in which countries found themselves as they scrambled to get hold of suddenly needed medical equipment and supplies: masks, diagnostic tests,

1 The rejection of a WHO treaty on needs-driven research and development (R&D) is a contentious case in point: <https://www.twm.my/title2/health.info/2016/hi160601.htm>

2 https://www.who.int/fctc/text_download/en/

3 <https://www.who.int/news/item/30-03-2021-global-leaders-unite-in-urgent-call-for-international-pandemic-treaty>

4 COVID-19: Make it the Last Pandemic, Report of the Independent Panel for Pandemic Preparedness and Response, May 2021, <https://theindependentpanel.org/>

ventilators, personal protective equipment (PPE), and so on. They also needed funds and a sufficient workforce to respond to the exponentially growing COVID-19 caseload. No international system existed that had previously created accessible stockpiles sufficient for the scale of country needs, or that could trigger the flow of resources and intervene to regulate and manage orderly access. “It is clear,” as the Independent Panel reports, “that the combination of poor strategic choices, unwillingness to tackle inequalities and an uncoordinated system created a toxic cocktail which allowed the pandemic to turn into a catastrophic human crisis.”⁵

The question is: Would a new international pandemic treaty be the missing tool required to overcome the identified gaps and legal constraints, and garner stronger political commitment from WHO member states against infectious disease outbreaks?

How did a pandemic treaty proposal become a priority at the WHO?

The pandemic treaty debate originated at the 148th session of the WHO Executive Board in January 2021. The proposal was first announced by the President of the European Council, Charles Michel, at the Paris Peace Forum in November 2020, and then

championed among a handful of reforms floated to the Geneva agency. It received an immediate enthusiastic welcome from the WHO Director-General: in his quest for political cooperation around the pandemic or, quite as likely, in his quest for his prospective re-election in 2022.

By the way: an instrument of international law that provides the WHO with the framework for emergency coordination and countries’ response has already existed for a while. This is the International Health Regulations (IHR)⁶ adopted by the World Health Assembly (WHA) in 1969. In 2005, in the wake of the SARS outbreak (2002-2003), the 58th WHA unanimously agreed on the revision of the IHR with the task to “prevent, protect against, control, and provide a public health response to the international spread of disease...”⁷ Since it entered into force in June 2007, the IHR 2005 has been the core tool to regulate disease outbreaks with an international dimension: “Its obligations and protocols reflect a condensed understanding of best practices developed through many decades

of diplomatic negotiations, expert input, and also on-the-ground operations in health campaigns.”⁸ However, the COVID-19 emergency has disclosed the not-so-hard side of the IHR. The repeated breaches of legal obligations have mirrored a number of problematic features in the existing framework, including the weak system of accountability, the lack of a process for independent verifications and compliance evaluation, along with ambiguities in relation to travel restrictions.

Together, the EU and WHO managed to mobilize the backing of 25 heads of State of both high- and low-income countries to a global call on 30 March 2021 for the creation of an international pandemic treaty to make the world better prepared to react to future health crises, and strengthen global capacity to predict, prevent and respond to pandemic threats.⁹ The proposal, we are told, aims to ensure serious political commitment; to define clear processes and tasks; to ensure long-term public and private sector support at all levels.¹⁰ Moreover, as we read, the international pandemic treaty

5 The Independent Panel, COVID-19: Make it the Last Pandemic, p. 43.

6 <https://www.who.int/publications/i/item/9789241580410>.

7 WHO, International Health Regulations, 1967, art.2, cited in A. von Bogdandy and P. A. Villarreal, International Law on Pandemic Response: A First Stocktaking in Light of the Coronavirus Crisis”, in MPIL Research Paper Series, No 2020-07, Max Planck Institute for Comparative Public Law and International Law, March 2020, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3561650

8 Bogdandy and Villarreal, International Law on Pandemic Response: A First Stocktaking in Light of the Coronavirus Crisis.

9 <https://www.who.int/news-room/commentaries/detail/op-ed---covid-19-shows-why-united-action-is-needed-for-more-robust-international-health-architecture>

10 <https://www.consilium.europa.eu/en/infographics/towards-an-international-treaty-on-pandemics/>

“would make it possible to integrate the One Health approach in the international health architecture, thereby connecting the health of humans, animals and the planet”.¹¹ The focus would be at enhancing the “sharing of information”, the “sharing of pathogens” and the “sharing of technologies”, as highlighted by the WHO Director-General when presenting the call with Charles Michel at the WHO.¹²

The proposal is light on details, but the notion of a new pandemic treaty seemingly seeks to avoid the attitudes of secrecy and health nationalism that have hampered the containment of the SARS-CoV-2 contagion, and it could capture many ideas spelled out in the Independent Panel report. The initiative originated as a European demarche clearly directed at keeping EU geopolitical clout, after the political and financial leadership exercised by France and Germany in building the 2020 coalition of the support to the WHO¹³ against the Trump’s hazardous departure from the organization. The EU is also aggressively fashioning its strategic position in the face of China’s ascending global health hegemony,

not only in Geneva. According to Germany, a pandemic treaty negotiated “under the roof of the WHO” is the preferred approach to strengthening the multilateral health architecture. Global support to the treaty is a far-reaching goal;¹⁴ so far, the fact that China, the USA and Russia have shown no appetite for the treaty proposal is a reality that cannot be ignored.

The pushed-for recommendation for a new pandemic treaty made its way to the 74th WHA in May 2021. The issue triggered great interest during the assembly, were it only for the fact that numerous member states had raised concerns about it in the lead-up to the WHA and during the assembly. They had expressed hesitance on starting discussions about a treaty to avoid future pandemics right in the middle of the COVID-19 crisis.

In the end, the 74th WHA resolved to postpone the potentially polarizing discussion until a special session of the WHA (WHASS) is convened for “considering the benefits of developing a WHO convention, agreement or other international instrument on pandemic preparedness and

response”¹⁶ from 29 November to 1 December 2021. The WHASS will have to establish “an intergovernmental process” to draft and negotiate this instrument, “taking into account the report of the Working Group on Strengthening WHO Preparedness and Response to Health Emergencies.”¹⁷

Some experts and countries view the creation of a pandemic treaty as a means to strengthen the role of the WHO and the implementation of the International Health Regulations. They also interpret the treaty as a strategy to ascribe responsibilities to other stakeholders beyond governments: “the safety of the world’s people cannot rely solely on the goodwill of governments”, said the WHO Director-General, when closing the 74th WHA.¹⁸

The final decision reflects what the USA had advocated for, but rather than sealing the pandemic treaty negotiation roadmap for March 2022, as planned by the EU-WHO treaty paladins, the Biden administration would still set that date for convening a high-level ministerial meeting to exam-

11 Ibid.

12 <https://www.who.int/news/item/30-03-2021-global-leaders-unite-in-urgent-call-for-international-pandemic-treaty>

13 <https://www.france24.com/en/20200625-germany-and-france-shore-up-support-for-who-seek-global-answer-to-covid-19> and also <https://healthpolicy-watch.news/germany-france-push-for-more-power-funding-for-who/>

14 L. Husain and G. Bloom, Understanding China’s growing involvement in global health and managing processes of change, in *Globalization and Health*, 1 May 2020, 16: 39, <https://doi.org/10.1186/s12992-020-00569-0>.

15 <https://www.consilium.europa.eu/en/policies/coronavirus/pandemic-treaty/>.

16 WHA decision on convening a special session of the World Health Assembly to consider developing a WHO convention, agreement or other international instrument on pandemic preparedness and response: [https://apps.who.int/gb/ebwha/pdf_files/WHA74/A74\(16\)-en.pdf](https://apps.who.int/gb/ebwha/pdf_files/WHA74/A74(16)-en.pdf).

17 https://apps.who.int/gb/ebwha/pdf_files/EB148/B148_18-en.pdf

18 <https://www.who.int/director-general/speeches/detail/director-general-s-closing-remarks-at-the-world-health-assembly---31-may-2021>

ine and consider the pathway of an international instrument or treaty,¹⁹ outside of the WHO. Differences of opinion remain on whether the route for the new binding instrument ought to be devised within the context of the UN General Assembly in New York or as an agreement negotiated in Geneva. It is a fact, however, that the WHO Independent Panel for Pandemic Preparedness and Response, the G20 Global Health Summit, the 74th World Health Assembly and the G7 in Cornwall have all endorsed the idea of an international negotiation on this treaty, now.

Key questions that need to be answered

As the debate about the pandemic treaty unfolds, a few key questions have to be answered. For example: are we sure it is a good idea to kickstart global negotiations on a new treaty in this conjuncture of multilateral stress, and deepened decline of international cooperation? What is the core justification for another treaty to move forward, while we remain in this emergency, with many countries overwhelmed and Ministries of Health stretched to their limits? Why this rushed process? Some experts simply do not find the idea so alluring. Others have started to interpret

it as a major distraction from the current challenges.²⁰ The world is not short of treaties and binding frameworks, they say, the international community has enough mechanisms through which to act, if it wanted to.²¹ What is the benefit of yet another instrument? The global health community rather needs to focus on reforming the tools that exist already, like the IHR, so that they serve their purpose better. Concerns also arise over WHO's ability to tackle critical areas such as finance, trade, supplies, law enforcement, and the broader economic and social disruptions that are usually caused by a pandemic.

Whatever the route of the pandemic treaty, it will not be possible for negotiators to sideline how deeply unjust the international order is, and to avoid positioning themselves vis-a-vis this conjuncture. The process set in place so far is such that the striking lack of public consul-

tations makes everyone a mere spectator. In 2020, the international community decided - with the Access to COVID-19 Tools (ACT) Accelerator - to entrust the organizational setup and the operational management of the first viral pandemic in human history to public and private partnerships. In 2021, the pandemic treaty idea may purportedly use the joint effort by the WHO and these multi-stakeholder alliances - the launching pad for the new global governance of the pandemic - to overrun power asymmetries and define the eve of a new normative era: one in which "everybody should be in from the very beginning".²² Not merely a recontextualization of multilateralism, but the setting of novel criteria for shaping international law through the inclusion and involvement of corporate actors' vested interests, in their metamorphic disguise. The COVAX Facility may indeed be the model that the few promoters have in mind for their pandemic treaty. If that were the case, we can be sure of one thing: we shall have future nastier pandemics and, once again, we shall not get it right.

19 E.R. Fletcher, Exclusive – United States Holds Back on Bold Move Toward Pandemic Treaty, Health Policy Watch, 21 May 2021, <https://healthpolicy-watch.news/exclusive-us-still-holding-back-on-bold-move-toward-pandemic-treaty/>

20 N. Ramakrishnan, K.M. Gopakumar, S. Shashikant, WHO: Should Members Pursue a Pandemic Treaty, In the Midst of a Global Pandemic?, TWN Info Services on Health Issues, 12 May 2021, Third World Network, <https://www.twn.my/title2/health.info/2021/hi210507.htm>; N. Ramakrishnan and K.M. Gopakumar: Proposal for a WHO treaty on pandemics raises concerns, Third World Network Report, 14 July 2021, <https://www.twn.my/title2/health.info/2021/hi210702.htm>

21 Vijay S.L., Global Health Is In Disarray: But Is A Pandemic Treaty A Way Out?, Health Policy Watch, 23th April 2021, <https://healthpolicy-watch.news/global-health-is-in-disarray-but-is-a-pandemic-treaty-the-way-out/>.

22 Pereira Da Silva Gama C.F., "Broken Threads: Reshaping Multilateralism with COVID-19 Under Way", op. cit. p. 5.

COVID-19 in a time of inequalities

The unequal race for vaccines is just the tip of the iceberg on growing global inequalities. COVID-19 has revealed and deepened, as if through a burning glass, the structural inequalities within and between countries.

Since the outbreak of the pandemic, the World Bank and the UN have had to repeatedly revise their poverty figures. World Bank experts now estimate the number of people living in extreme poverty, on their measure of less than US\$ 1.90 per day, to be 732 million in 2020, 97 million higher than it would have been without COVID-19.²⁶ For many experts, the World Bank's measure of extreme poverty is inadequate and its threshold too low to provide a realistic picture of poverty in the world. What is agreed, however, is that the number of poor people would have risen much more sharply if governments had not countered with various social protection measures and labour market interventions. According to the World Bank, between 20 March 2020 and 14 May 2021, a total of 3,333 social protection measures have been planned or implemented in 222 countries or territories in response to the economic consequences of the pandemic.²⁷

These include one-time or repeated cash transfers, in-kind food/voucher schemes and wage subsidies. Many of these measures were debt-financed and cannot be continued permanently, even in richer countries. In poorer countries, the fiscal space for such measures is less. According to World Bank forecasts, the number of poor people in low-income countries will continue to rise in 2021, while in middle- and high-income countries it will decrease again slightly. The World Bank experts conclude: "Hence,

in the poorest countries of the world, the impact of COVID-19 on poverty is not only still present, but it is worsening."²⁸

On the other hand, the global number of billionaires and the extent of their wealth has increased more since the pandemic began than at any time in recent decades. The number of billionaires on *Forbes* magazine's annual list of the world's wealthiest people skyrocketed to an unprecedented 2,755 in March 2021.²⁹ This were 660 more than a year ago. The net wealth of these billionaires increased to US\$ 13.1 trillion, up from US\$ 8 trillion in March 2020.

Amazon founder Jeff Bezos, currently the richest man in the world, saw his fortune grow from US\$ 113 to US\$ 213 billion during the pandemic, reaching a historic high on 8 July 2021.³⁰ As Amazon cashed in on the stay-at-home deliveries, it also benefitted from the huge rise in stock indices in the course of 2021, as did pharmaceutical and other large corporations.³¹

The massive increase in revenues and profits is the result of deliberate tax and regulatory policies that have favoured transnational corporations and wealthy individuals. The flip side of the coin has been empty public coffers and weakened or privatized public institutions and services. The long-term consequences of this disastrous mix of tax benefits, privatization and crushing debt burdens became evident during the pandemic in many countries (see Special Contribution 1.4 by Daria Cibrario from Public Services International).

26 Daniel Gerszon Mahler et al., Updated estimates of the impact of COVID-19 on global poverty: Turning the corner on the pandemic in 2021? World Bank, <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-turning-corner-pandemic-2021>.

27 Ugo Gentilini et al., Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures, version 15, World Bank, May 14, 2021, p. 4, <https://openknowledge.worldbank.org/handle/10986/33635>

28 Mahler et al., 2021, op. cit.

29 <https://www.forbes.com/billionaires/>

30 <https://www.forbes.com/sites/kenrickcai/2021/08/20/richest-person-in-world-elon-musk-jeff-bezos-bernard-arnault/?sh=51eb664c1f5a>

31 https://www.apple.com/newsroom/pdf/FY21_Q3_Consolidated_Financial_Statements.pdf (Apple's FY 2021 ends in September 2021).

Challenging decades of privatization and de-funding of public services

BY DARIA CIBRARIO, PUBLIC SERVICES INTERNATIONAL (PSI)

The COVID-19 pandemic has highlighted the disastrous consequences of years of weakening public services. This is, of course, particularly visible in the health-care sector. But also in other areas, such as energy and transport, the negative consequences of austerity and privatization have become increasingly obvious and have led to counter-movements. Here are a few snapshots from different countries:

Health

Outsourcing, privatization and de-funding of public health systems have hampered pandemic response preparedness and undermined universal access to quality services, causing unnecessary deaths, including in countries traditionally boasting strong public health systems.¹ In the UK, the National Health

Service call centres (NHS 111)² and supply chain - responsible for procuring and delivering personal protective equipment (PPE) to staff - have undergone 'salami-privatisation' since 1977.³ Its fragmentation⁴ has hampered agile procurement responses and adaptability to evolving NHS needs; caused lack of oversight and control by the public - including on PPE pricing, quality and tracing; and ultimately translated into delays in PPE provision to the NHS staff, severely hit by deaths

and contaminations.⁵

In Italy, where regions have legislative autonomy over health management within the national health system ('*Servizio Sanitario Nazionale*' - SSN), Lombardy - one of Italy's wealthiest regions which has among the most privatized health systems in Europe - recorded a 5.7 percent COVID-19-related fatality rate compared to the Italian national 2.4 percent national average. Adjacent region Veneto, instead, which prioritized public governance, intergovernmental coordination and institutional health provider cooperation - registered its first COVID-19 cases at the same time as Lombardy

1 J. Assa and M.C. Calderon, Privatization and Pandemic: A Cross-Country Analysis of COVID-19 Rates and Health-Care Financing Structures, UNDP/HDRO, 30 May 2020, https://www.researchgate.net/publication/341766609_Privatization_and_Pandemic_A_Cross-Country_Analysis_of_COVID-19_Rates_and_Health-Care_Financing_Structures

2 J. Halliday, NHS 111 staff turning up to work with coronavirus symptoms, The Guardian, 10 April 2020, <https://www.theguardian.com/world/2020/apr/10/nhs-111-staff-work-coronavirus-symptoms-call-centre>

3 J. Niechcial, The NHS is being systematically dismantled by privatisation, We Own It, UK, 4 June 2020, The NHS is being systematically dismantled by privatisation | We Own It

4 Services are shared among 11 different private companies, stratified across four layers of profit-making. Ibid.

5 D. Hall, J. Lister, C. Hobbs, P. Robinson, C. Jarvis, Privatised and unprepared. The NHS supply chain", University of Greenwich, We Own It, UK, <https://weownit.org.uk/sites/default/files/attachments/Privatised%20and%20Unprepared%20-%20The%20NHS%20Supply%20Chain%20Final.pdf> and E. Shone, More than 850 health and social care workers have died of Covid in England and Wales since the pandemic began, The Scotsman, 27 January 2021, <https://www.scotsman.com/health/coronavirus/more-than-850-health-and-social-care-workers-have-died-of-covid-in-england-and-wales-since-the-pandemic-began-3114202>

but had a considerably lower death-to-case-ratio.⁶

The market-oriented approach to healthcare of the EU Commission, its push for health services liberalization, and its permeability to private health lobbies is called into question for the poor health service outcomes seen in continental Europe through COVID-19.⁷ The extension of user payments to compensate for health systems underfunding has sharpened inequalities.⁸ The WHO Regional Office for Europe now urges governments to make substantial public investment in their health systems; carefully re-design coverage to provide universal access; get fairer tax systems; and keep up international health solidarity, regardless of the

growing public deficits.⁹ The call to reclaim health as a global public good has also translated into a worldwide movement demanding to lift COVID-19 vaccine copyrights under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and put an end to the private control of life-saving drugs largely developed with public funding,¹⁰ while relocating supply chains for vital medicines, equipment and PPE.¹¹

Care

Canada recorded the worst score of COVID-19 deaths in elderly care services worldwide: four out of five deaths have either been residents or staff of a long-term care home,¹² largely run by private companies, some of which actively engage in tax avoidance, such as Revera.¹³ In 2020, the Canadian Union of Public Employees (CUPE) launched the nationwide 'FixLongTermCare'¹⁴ campaign to take profit out of long-term elderly care, demanding the Canadian Government take over and invest in long-term elder care homes and set a national service quality standard and safe, decent working conditions for staff across all Canadian provinces.¹⁵ The campaign contributed to the 2021 decision of the Government of Saskatchewan to invest 80 million Canadian dollars in long-term care starting

6 De Falco, R., «Italy's experience during COVID-19 and the limits of privatisation in healthcare», GI-ESCR, 2 June 2021, <https://www.gi-esocr.org/latest-news/5pg0xo95rwwju38y85xg6musfduw20>

7 Corporate Observatory, "When the Market Becomes Deadly. How pressures towards privatisation of health and long-term care put Europe on a poor footing for a pandemic", Brussels, January 2021 <https://corporateeurope.org/sites/default/files/2021-01/healthcare-privatisation-final.pdf>

8 "In 2018 out-of-pocket payments were still the dominant source of health financing in almost all lower-middle-income countries and a third of upper-middle-income countries", p. xiii, WHO, Regional Office for Europe, "Spending on health in Europe: entering a new era". 2021, <https://apps.who.int/iris/bitstream/handle/10665/340910/9789289055079-eng.pdf>

9 WHO, Regional Office for Europe, "Spending on health in Europe: entering a new era". 2021, <https://apps.who.int/iris/bitstream/handle/10665/340910/9789289055079-eng.pdf>

10 Vaccine research has been largely funded with public resources. The US federal government paid 9 billion USD to Pfizer, while the EU and its members states funded as much as 97% of the cost of the Oxford/AstraZeneca vaccine research. Yet, over the last months, AstraZeneca, Pfizer and Johnson & Johnson have distributed a combined 26 billion USD in dividends and share buybacks, the equivalent of getting 1.3 billion people vaccinate, that is the entire population of Africa. Pavanelli, R., "Summit sanitario a Roma. Europa e Italia dicono no all'apartheid dei vaccini", *Avvenire*, 21 May 2021 <https://www.avvenire.it/opinioni/pagine/europa-e-italia-dicano-no-allapartheid-dei-vaccini>

11 People's Vaccine Campaign "Five steps to make a People's vaccine a reality" <https://peoplesvaccine.org/our-demands/> and PSI, "EU's Commitment Urgently Needed on Vaccine Scale Up and TRIPS Waiver", 14 July 2021 <https://publicservices.international/resources/news/psiaffiliates-statement-eus-commitment-urgently-needed-on-vaccine-scale-up-and-trips-waiver---?id=12031&lang=en>

12 Ireton, J., "Canada's nursing homes have worst record for COVID-19 deaths among wealthy nations: report", 30 March 2021 <https://www.cbc.ca/news/canada/ottawa/canada-record-covid-19-deaths-wealthy-countries-cihi-1.5968749>

13 CICTAR, Tax Dodging by a Canadian Crown Corporation; Revera Living Making a Killing, January 2021 https://cictar.org/wp-content/uploads/2021/01/Revera_Report_7-1.pdf

14 FixLongTermCare Campaign page, accessed 31 July 2021 <https://fixlongtermcare.ca/send-a-letter/>

15 CUPE, "CUPE launching campaign to make long-term care public", 25 May 2020, <https://cupe.ca/cupe-launching-campaign-make-long-term-care-public?fbclid=IwAR3qYLz1sG0QWKF30IMIT-OvrwjzQavm43YAdiwwCzsSUWBiHwMJGrTUzk>

with municipalizing two facilities through substantial public investment;¹⁶ to plan 82 renewal projects; and 13 new public elder care homes in rural and remote areas of the province.¹⁷

In Europe, new research points to multinational corporations' views of elderly care in ageing Europe as an enormously lucrative market, and the entry of private equity funds is taking it into the next league of profiteering, up from a privatized to a financialized service.¹⁸ The comparative analysis of care service quality and working conditions in nine European countries during the pandemic includes insourcing among its key recommendations.¹⁹ The centrality of care to our societies and economies and the intrinsic gender, social and racial injustice around which this vital service is currently structured in many

societies, has prompted PSI to launch an international campaign to 'Rebuild the social organization of care' articulated around five key asks, among which 'Reclaiming' care services into public hands is a critical component.²⁰

Energy

Demands to reclaim services in the common interest have extended to sectors that seemed lost to privatization, such as energy. A public-goods approach to energy is a pre-requisite to implement the pro-climate policies that a marketized, for-profit energy service just cannot provide.

In France, the government's project to unbundle and further privatize the historic 75-old, national vertically integrated energy utility²¹ triggered by the EU Commission has prompted a collective reaction against the plan and to reclaim and preserve energy as a strategic public service for present and future generations. Led by a coalition of French energy unions, former senior management, national

and local elected representatives, and experts,²² the 'For a public energy' (*Pour une énergie publique*) campaign²³ aims to ensure equal energy access to users and territories; fight energy-poverty (user costs doubled since partial privatization in 2004); and tackle the climate crisis through a public pathway to economy-wide decarbonization. In July 2021, the French government announced that the unbundling plan has been placed on hold, and it will not be implemented under the current presidential term.²⁴

Transport

Prior to the pandemic, only about half of the world's urban population had convenient access to public transport.²⁵ Yet, for

16 Public Futures. Global database of de-privatised public services. "Case 1618, Canada, Saskatchewan, Care services", 5 August 2021 <https://publicfutures.org/case/1618>

17 Government of Saskatchewan, "Province Invests More Than \$80 Million In Long-Term Care Facilities", 16 June 2020, <https://www.saskatchewan.ca/government/news-and-media/2020/june/16/long-term-care-investments>

18 Investigate Europe, "Grey gold – The billion Euro business of elder care", July 2021, <https://www.investigate-europe.eu/en/2021/elder-care-for-profit/>

19 Pelling, L., "On the Corona Frontline The Experiences of Care Workers in Nine European Countries – Summary Report" FES, Kommunal, Arenaldé, 2021, <http://library.fes.de/pdf-files/bueros/stockholm/17490.pdf>

20 PSI, "Care Manifesto: Rebuilding the social organization of care" June 2021 <https://peopleoverprof.it/resources/campaigns/manifesto-rebuilding-the-social-organization-of-care?id=11655&lang=en&search=%7B%7D#sign-the-manifesto>

21 Cibrario, D., « French unions reclaim energy as a public service», PSI website, 8 April 2021, <https://publicservices.international/resources/news/french-unions-reclaim-brenergy-as-a-public-service?id=11715&lang=en>

22 Tribune collectif, 'EDF : « L'acte final d'un long démantèlement du service public de l'énergie en faveur du privé »', Le Monde, 10 February 2021, https://www.lemonde.fr/idees/article/2021/02/10/edf-l-acte-final-d-un-long-demanterement-du-service-public-de-l-energie-en-faveur-du-privé_6069422_3232.html

23 'Pour une énergie publique'. Campaign website <https://energie-publique.fr/> last accessed: 5 August 2021 and PSI, "French unions reclaim energy as a public service", 8 April 2021, <https://publicservices.international/resources/news/french-unions-reclaim-brenergy-as-a-public-service?id=11715&lang=en>

24 B. Bayart, Emmanuel Macron reporte la grande réorganisation d'EDF, Le Figaro, 28 July 2021, <https://www.lefigaro.fr/societes/emmanuel-macron-reporte-la-grande-reorganisation-d-edf-20210728>

25 UN, Policy Brief: COVID-19 in an Urban World, https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_urban_world_july_2020.pdf

millions of people worldwide, public transport is the only option to reach public services, including hospitals, schools, kindergartens, care, registry, libraries. Well-developed public passenger and freight transport infrastructure are also a precondition to ensure rural-urban interlinkages, and the backbone of any decarbonization policy. Against the backdrop of the failure of private transport services to deliver equitable, green access to transport services,²⁶ strengthening public transport is a priority to fight inequality, boost sustainable development, and achieve the ecological transition we urgently need.²⁷

COVID-19 containment measures and mobility restrictions have severely curbed urban and long-haul public transport use, triggering a shift to private transport, which has caused significant revenue losses to public transport systems and jeopardized dependent livelihoods. Mayors, transport

authorities, global transport and public service unions have joined forces to ensure public transport service continuation, making it safe for passenger and workers.²⁸ With ‘The Future is Public Transport’ campaign,²⁹ they jointly ask central governments and international financial institutions to support public transport with ambitious public investment to ensure fast recovery, and fast forward decarbonization, tapping into the potential to create 4.6 million jobs by 2030 and halve urban transport emissions by 2030.³⁰

The pandemic has shown that running public services commercially, with a consumer-based approach, is not only unfair and unviable, but it is also suicidal as it undermines our ability to effectively respond to global crises. At a time of concomitant crises, we need more – not less - universal quality public services operated in the common interest, not for profit.

26 P. Alston, B. Khawaja, R. Riddell, Public Transport, Private Profit The Human Cost of Privatizing Buses in the United Kingdom, CHR & GJ, NYU School of Law, 19 July 2021, <https://chrgj.org/wp-content/uploads/2021/07/Report-Public-Transport-Private-Profit.pdf>

27 ITF, Recommendations for Sustainable & Socially Just Local Public Transport Funding, 24 June 2021, <https://www.itfglobal.org/sites/default/files/node/page/files/Recommendations%20Funding%20140621.pdf> and PSI, The Future Is Public Transport!, 30 March 2021, <https://publicservices.international/campaigns/the-future-is-brpublic-transport?id=11697&lang=en>

28 UITP, UIC, ITF, UCLG Joint Statement, Covid-19 pandemic: The continuity of passenger transport services is crucial, 8 April 2020, https://www.uclg.org/sites/default/files/covid19_globalstatement_signed_8apr2020_0.pdf

29 C40, ITF, UITP, PSI, UCLG, Greenpeace, WIEGO, ITUC, ITDP, The Future Is Public Transport!, 30 March 2021, <https://thefutureispublictransport.org/>

30 C40, The Future of Public Transport Investing in a frontline service for frontline workers, 30 March 2021, https://c40.my.salesforce.com/sfc/p/36000001EnhZ/a/1Q000000MxXz/zl2f32_KtaOlhDjNzVqLVasYp6xW22o2detdwy_qbkE

Massive relief and stimulus packages

In response to the pandemic, many governments seem to have returned to a more proactive policy for providing public goods and services. They have launched rescue packages and stimulus programmes on a massive scale, particularly compared to other recent crises. The IMF puts the total of additional public spending or foregone revenues and liquidity support between January 2020 and June 2021 at US\$ 16.549 trillion globally, or an average of 16 percent of GDP.³² However, the financial capacity of countries to respond to the consequences of the pandemic and thus their budgetary fiscal support to people and firms has varied widely across countries. While fiscal measures, including guarantees, in response to the COVID-19 pandemic accounted for 46.2 percent of GDP in Italy, 44.8 percent in Japan and 41.4 percent in Germany, some poorer countries in the global South spent less than 1 percent of their GDP, for instance Cameroon (0.9%), Haiti (0.6%), and Malawi (0.5%) (see Figure 1.4).

The huge disparities in the fiscal options for responding to the pandemic will further exacerbate socio-economic inequalities between and among countries. There is a risk that the situation will continue to deteriorate in the coming years if countries are forced to switch from expansionary monetary and fiscal policies back to austerity policies with all their negative side effects (see the contribution of Isabel Ortiz and Matthew Cummins in Part 3).

Particularly poorer countries, some of which were already facing massive economic problems before the pandemic, need substantial external support to finance additional healthcare and social spending and measures to overcome the economic recession. But the much-vaunted solidarity of the rich countries has so far not been very forthcoming. In 2020, the official development assistance (ODA) of OECD members rose only incrementally from 0.30 to

0.32 percent of GDP (to a total of US\$ 161.2 billion).³³ In some countries, such as the United Kingdom, ODA even decreased due to cuts in their general aid programmes. And the G20's debt-servicing suspension initiative is also woefully inadequate, having provided little more than US\$ 5 billion in temporary relief to some 40 eligible countries by the end of 2020.³⁴ This was less than 2 percent of total debt service due to be paid by developing countries that year. Moreover, the initiative covers only bilateral public debt owed to official creditors but does not apply to the debt owed to private lenders and multilateral creditors. Some of the money saved from debt service suspension is used to pay the private creditors on time and in full – instead of using it for healthcare and other COVID-19 related activities. The initiative is no substitute to urgently needed debt reduction and restructuring for highly indebted countries.³⁵

The general allocation of Special Drawing Rights (SDRs) equivalent to US\$ 650 billion in August 2021 – the largest distribution ever made by the IMF – has been heralded as a major achievement. However, its distribution will not benefit the countries most in need without rechanneling measures and again illustrates existing imbalances in global economic architecture (see Special Contribution 1.5 by Bodo Ellmers, Global Policy Forum).

32 <https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19>

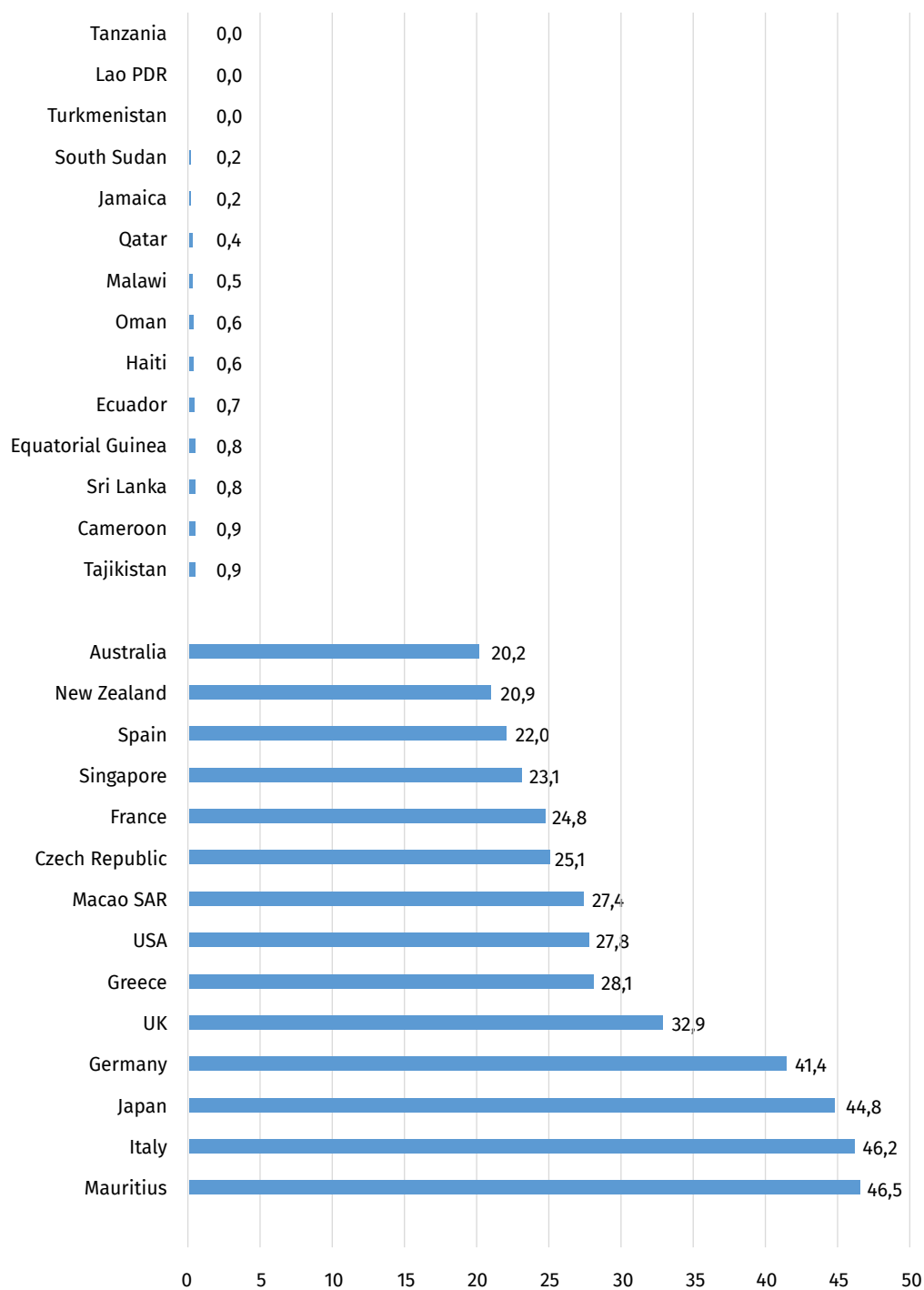
33 <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2020-detailed-summary.pdf>

34 <https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative>

35 https://www.eurodad.org/g20_dssi_shadow_report

Figure 1.4

Selected countries with the highest and lowest share of fiscal measures in response to the COVID-19 pandemic (January 2020 to June 2021, in percent of GDP)



Source: IMF, <https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19>

IMF Special Drawing Rights – a historic financial boost to counter the COVID-19 crisis?

BY BODO ELLMERS, GLOBAL POLICY FORUM

Lack of finance is a key reason why many countries of the global South have been harder hit by the COVID-19 crisis, and struggle to recover from it. In this crisis, governments in many countries, especially OECD countries, encouraged even by the IMF, quickly turned to countercyclical fiscal policy and pumped trillions into the economy to protect their economies and populations from the COVID-19 shock. In fact, fully 90 percent of this fiscal stimulus was injected into the economies of high income countries only, since governments of poorer countries lack the resources to do so. Other countries are being left behind, lacking even the hard currency needed to purchase COVID-19 tests and vaccines to halt the spread of the pandemic.

On 23 August 2021 – more than 17 months after the WHO declared COVID-19 a global pandemic - the IMF finally allocated Special Drawing Rights (SDRs) worth US\$ 650 billion to its member states, with the objective of channelling more liquidity to countries in need. The SDR is a global reserve asset that the IMF can create ‘out of thin air’, when mandated to do so by a majority of

member states that hold 85 percent of IMF voting rights. It is based on a basket of five currencies (US-dollar, Euro, British Pound, Yen, Renminbi).¹

Countries that receive SDRs can either hold them as currency reserves, or exchange them into hard currencies and eventually use them for a wide range of fiscal purposes, including financing imports of vaccines. No matter what use, the SDR allocation of August 2021 was an important “shot in the arm” for cash-starved developing countries, to use the words of IMF Managing Director Kristalina Georgieva.² It has been the quantitatively most important financial action by an international financial institution since the beginning of the crisis.

There are however a number of caveats that reduce its value and effectiveness:

- The allocation was ‘too little –

too late’: Earlier, the resistance of the Trump administration in the USA, whose vote was needed to reach the 85 percent majority, ensured that the approval process there only started after a new government came to power. Moreover, with an allocation of US\$ 650 billion, the IMF decided to stay below the threshold that requires approval by the US Congress. Timing and volume of the SDR allocation were therefore not determined by demand, they were shaped by the political circumstances in just one of the 190 IMF member states. The CSO campaign had demanded an SDR allocation of US\$ 3 trillion.³

- The lion’s share went to the wrong recipients: The IMF’s Articles of Agreement determine that SDR allocations need to be distributed among member states according to their IMF quota. As richer countries have higher IMF quotas, high-income countries

1 <https://www.imf.org/en/About/FAQ/special-drawing-right>

2 <https://www.imf.org/en/News/Articles/2021/08/23/pr21248-imf-managing-director-announces-the-us-650-billion-sdr-allocation-comes-into-effect>

3 <https://www.latindadd.org/2021/02/12/civil-society-organizations-call-for-quick-special-drawing-rights-allocation/>

cashed in more than half of the allocation. The G7 countries alone received 43.5 percent of the total, while all low-income countries together received only 3.2 percent. Hence, the countries that need additional liquidity least, got most of it, while only drops trickled through to the cash-starved countries.

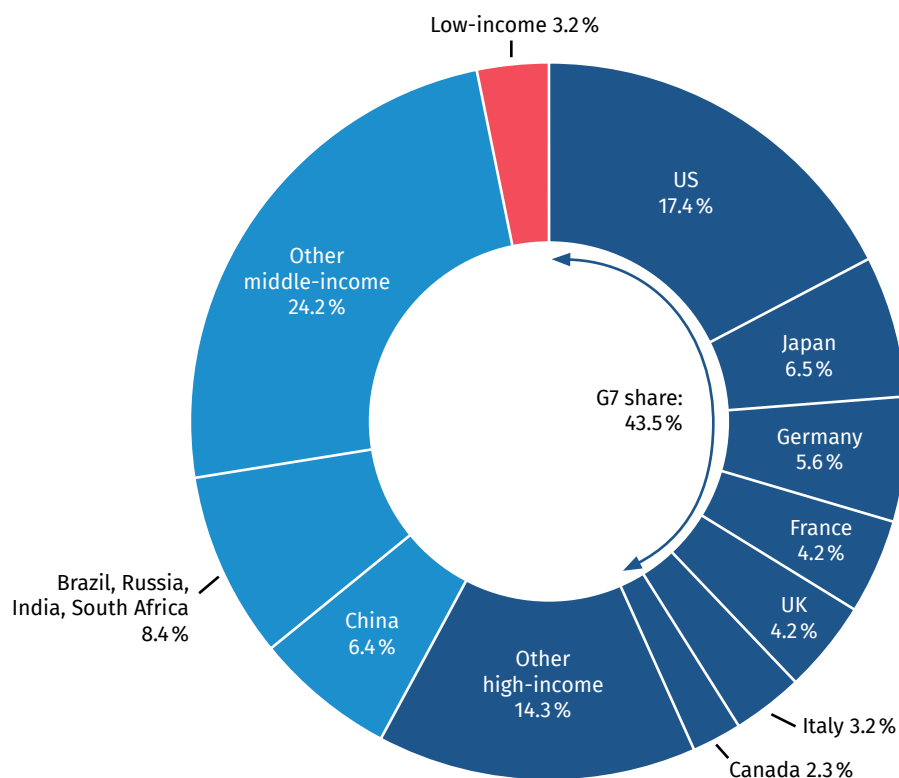
To address the latter issue, even the IMF has called on richer member states to rechannel or repurpose a share of their SDR allocation, and the June 2021 G7

Summit in Carbis Bay, UK has set a numerical target of US\$ 100 billion.⁴ At the time of writing, the discussion about rechanneling is ongoing, and receives mixed support by rich country governments. Many need to overcome internal legal and institutional constraints, or break resistance by their Central Banks who claim ownership of the SDRs.

⁴ <https://www.g7uk.org/wp-content/uploads/2021/06/Carbis-Bay-G7-Summit-Communique-PDF-430KB-25-pages-1-2.pdf>

The IMF's own facilities, such as the Poverty Reduction and Growth Trust (PRGT) or a still-to-be-founded Resilience and Sustainability Trust (RST), and the Multilateral Development Banks are obvious channels for repurposing SDRs, as they are so-called 'subscribed' holders and can receive payments directly in SDRs. CSOs are advocating rechanneling through COVAX or the Green Climate Fund, but this requires first exchanging SDRs into currency such as US-dollars. In any case, CSOs advocate that rechanneling should preserve

Figure 1.5
SDR Allocation by country groups



Source: IMF (<https://www.imf.org/en/Topics/special-drawing-right/2021-SDR-Allocation>)

the specific character of the SDR as a resource that does not create new debts and does not come with political conditionalities attached. Only then can the SDR create an added value to loans from existing IMF facilities.

Lessons learned from this year's record SDR allocation include that both the IMF as well as many member states need to get their institutional frameworks right in order to ensure that the SDR becomes a more effective tool of crisis financing as well as development financing. Future allocations should be more timely and more demand-driven. Targeted allocations in the first round, would make technically and politically repurposing in the second round unnecessary.

Such reforms are all the more important as SDRs could play a more important role in future. Both the UN as well as CSOs have argued for more than a decade that regular allocations of SDRs should play a crucial role in providing substantial amounts of development financing in a predictable manner. A key development finance position endorsed by a multitude of CSOs is that the IMF issues "250 billion US-Dollars in new SDRs annually, with the allocation based on economic need and the majority going to developing countries, and amending the IMF's Articles of Agreement to allow this."⁵ Given the persistent failure of the

international community to fill SDG financing gaps, it is definitely worth putting a spotlight on the SDR as innovative financing pillar for the 2030 Agenda for Sustainable Development.

5 https://www.globaltaxjustice.org/sites/default/files/Eurodad-FfD-position-paper-English1_0.pdf

Beyond the quantitative increase of fiscal resources to address the COVID-19 crisis, however, the central question is for what purposes the additional resources are being used and who are the main beneficiaries. Over the past year, many UN officials, human rights activists and civil society groups (like in the Spotlight Report 2020) have demanded that the resources of the COVID-19 reconstruction and economic stimulus packages should be used proactively to promote human rights and the implementation of the SDGs.

After one year, initial studies show that this is often not the case. A report of the Financial Transparency Coalition that tracked fiscal and social protection recovery measures in nine countries of the global South found that in eight of them a total of 63 percent of announced COVID-19 funds went to large corporations, rather than small and medium enterprises or social protection measures (see Special Contribution 1.6 by Matti Kohonen of the Financial Transparency Coalition).

Large corporations cash in on COVID-19 recovery

BY MATTI KOHONEN, FINANCIAL TRANSPARENCY COALITION

In April 2021 the Financial Transparency Coalition (FTC) issued a report that tracked fiscal and social protection recovery measures in nine countries in the global South (Bangladesh, El Salvador, Guatemala, Honduras, India, Kenya, Nepal, Sierra Leone, South Africa).¹ This People's Recovery report showed that on average in the year 2020, these countries in the global South provided stimulus measures equivalent to only 3.9 percent of their GDPs. This falls below the 10 percent of GDP threshold called for by UN Secretary-General António

Guterres in March 2020.² Funds directed toward social protection totalled approximately 1 percent of their GDPs, while such funds should have made up most of the committed funds if a rights-based frameworks had been used.

A total of 63 percent of announced COVID-19 funds in eight of the nine countries (excluding India due to data issues), which totalled US\$ 51.4 billion, went to large corporations, rather than small and medium enterprises (SMEs), informal sector enterprises or social protection measures (see

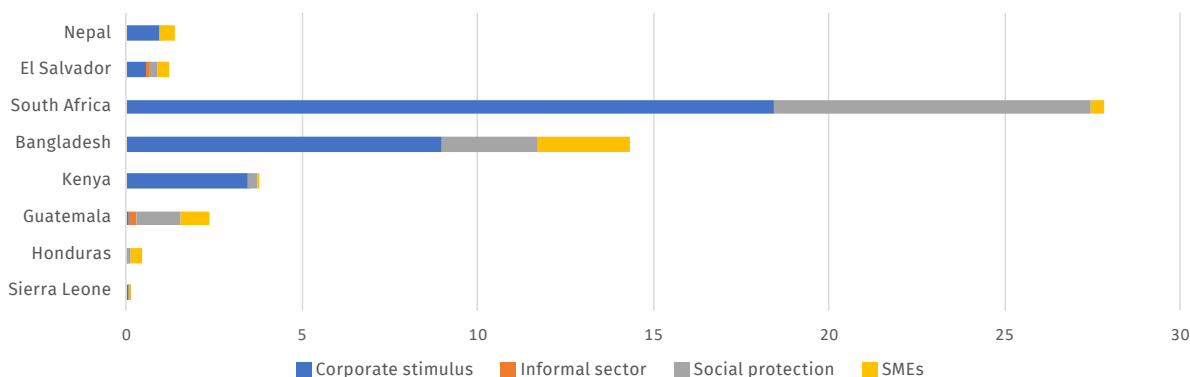
Figures 1.6 and 1.7). Most of this total was in the form of loans given to the corporate sector as part of recovery plans, and some of these loans were made because the International Financial Institutions (IFIs) laid a heavy preference on private sector funding during the crisis for their earmarked concessional lending, covering energy, roadbuilding and export sector needs. The figure of corporate recovery spending also includes tax cuts, tax exemptions and tax amnesty programmes benefiting the corporate sector. These were only costed in Kenya, where a hefty corporate tax cut was given, in all other countries tax measures are hidden from sight.

1 <https://financialtransparency.org/wp-content/uploads/2021/04/FTC-Tracker-Report-FINAL.pdf>

2 <https://www.un.org/en/un-coronavirus-communications-team/launch-report-socio-economic-impacts-covid-19>

Figure 1.6

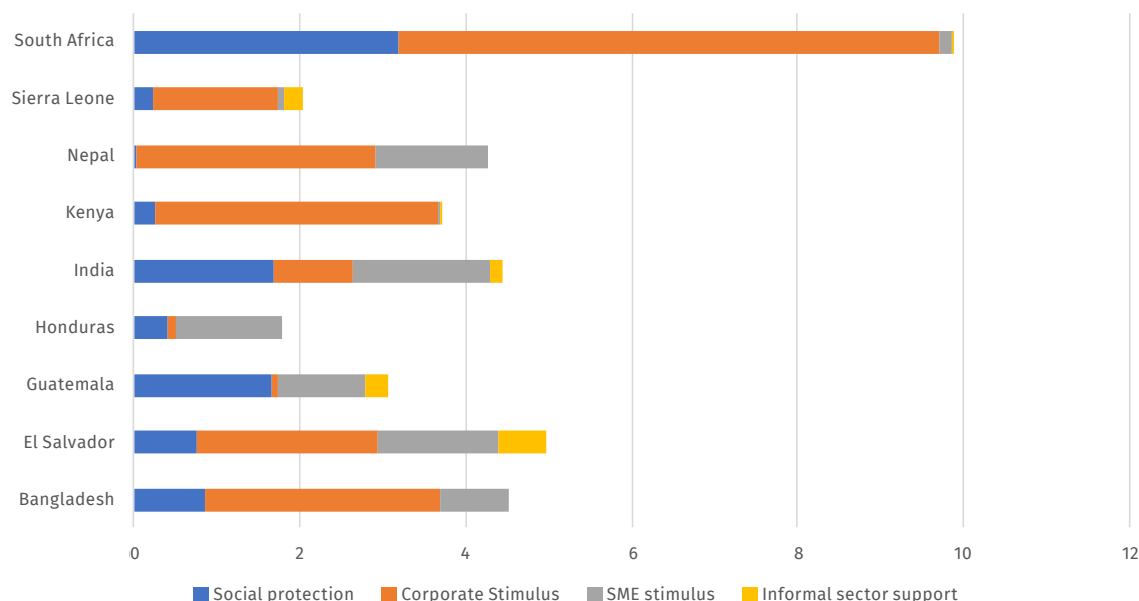
COVID-19 recovery spending in selected countries in 2020 (in US\$ bn)



Source: authors' calculations, People's Recovery Report 2021.

Figure 1.7

COVID-19 recovery spending in selected countries in 2020 (as % of GDP)



Source: authors' calculations, People's Recovery Report 2021.

Questions were raised in South Africa, Guatemala and Bangladesh concerning unspent Micro, Small and Medium Enterprise (MSME) loans, which were a big part of the discrepancy between the actual and implemented recovery spending. This is likely to be due to the State asking commercial banks, with which MSMEs do not bank, to implement the disbursing of loans. In India, the loan criteria were extended to include larger companies up to US\$ 33 million in turnover (previously US\$ 13 million in turnover), and thus MSME and corporate support can't be distinguished in India.

The FTC COVID-19 People's Recovery Tracker – a multi-source database which quantifies selected categories of fiscal responses to COVID-19 – found that, on average,

just 22.4 percent of the announced recovery spending as a percentage of GDP was in the form of social protection in 2020. Only in Guatemala was social protection the largest share of funds, at 52 percent, a new social protection system Bono Familia (Family Grant) implemented during the pandemic based on pre-existing social protection systems in terms of three instalments of US\$ 129, and a final instalment of \$US 32 over a duration of six months reaching 2.6 million recipients.³ The last scheme was closed in January 2021, despite proposals by civil society to expand and make it permanent by mainly cutting down

on unnecessary tax incentives (costing approximately US\$ 766 million or almost 1 percent of GDP)⁴. The same story repeats elsewhere: in South Africa, the monthly US\$ 24 COVID-19 Social Relief of Distress (SRD) Grant created in May 2020 was terminated in April 2021 after two extensions, having reached 5.7 million eligible recipients by September 2020.⁵ Government policy decisions follow the trajectory of crisis support as laid out by both the IMF and the OECD early in the pandemic – that is, to provide temporary relief, but not to reform any structural budget allocations.

³ <https://dca.gob.gt/noticias-guatemala-diario-centro-america/plazo-para-retiro-del-bono-familia-vence-el-19-de-enero/>

⁴ https://icefi.org/sites/default/files/presentacion_-_bono_familia_2021.pdf

⁵ https://media.africaportal.org/documents/DPRU_PB_20_55.pdf

Very little of recovery spending tracked was explicitly allocated to address gender inequalities exacerbated by the crisis; only in El Salvador an existing programme called Ciudad Mujer was extended with an allocation of US\$ 10 million, while in Bangladesh women-led businesses were given a separate loan window. In Nepal, less than 1 percent went towards social protection measures, mainly in the form of a health insurance scheme for those infected or hospitalized by COVID-19, which was drastically scaled down due to larger than expected uptake. In Sierra Leone, delays in funding for a donor-supported social protection programme meant that it did not commence before the very end of 2020.

Wage subsidy and job retention programmes were commonly used, but mostly in export sectors. It was not certain if all of the funds distributed to businesses reached workers most impacted, and it was reported that companies sometimes created 'phantom workers' and pocketed the money. In March 2020, Bangladesh announced a stimulus package of US\$ 590 million for the export-oriented garment sector for wage support. In addition, laid-off garment workers received US\$ 35 a month for three months. Other sectors did not receive such support, as this was in part funded by a relief programme (worth US\$ 134 million) backed by the European Union (EU) and Germany, a major export market for Bangladeshi garments.

The People's Recovery report calls for keeping in place social protection measures widened in terms of scale and access after the immediate crisis, and for expanding them where they don't reach universal coverage. Health insurance programmes created during the crisis, such as the scheme in Nepal, could also be built upon to become wider health coverage programmes.

Fiscal expansion can be financed by agreeing to a fair deal on a global minimum corporate tax rate of 25 percent (instead of the G7's unfair proposal of 15 percent where they keep the revenue mainly to themselves).

Also, illicit financial flows, including tax abuses, could be tackled following the UN FACTI Financial Integrity for Sustainable Development 2021 report's 14 wide-ranging recommendations.⁶ This was done in Nepal where the government opened a capital gains tax dispute in the case of transfer of ownership of a local Coca-Cola bottling company, pursuing a US\$ 91 million penalty in unpaid taxes from the old and new owners.⁷ This figure is nearly ten times the amount allocated to social protection measures (US\$ 10.4 million) during the pandemic.

These kinds of fiscal measures should be pursued alongside claims for debt relief, and the US\$ 650 billion new issuance of

Special Drawing Rights (SDRs) agreed in August 2021 by the IMF to provide further financing and enable future government fiscal expansion from expanded central bank reserves and channelling of unused SDRs in the global North to the global South towards creating a people's recovery rather than a corporate led recovery.

⁶ https://uploads-ssl.webflow.com/5e0bd-9edab846816e263d633/602e91032a209d-0601ed4a2c_FACTI_Panel_Report.pdf

⁷ <https://www.kathmandutribune.com/coca-cola-turns-sour-for-nepalis/>

Market-based vs. rights-based recovery

But it is not only fiscal measures that are often inconsistent with human rights obligations and the requirements arising from the 2030 Agenda. Certain policy prescriptions and strategies that claim to provide ways out of the global crises are not fully in line with human rights standards and the principles and goals of the 2030 Agenda, and in some cases undermine rather than strengthen democratically legitimized multilateral institutions. This applies not only to the WHO, as mentioned above, but also, for instance, to global institutions in the field of food and nutrition. A striking example is the UN Food Systems Summit in September 2021. Many civil society groups and social movements point out that this Summit is driven by corporate actors like the World Economic Forum (WEF), sidelines existing multilateral bodies such as the Committee on World Food Security (CFS), and focuses mainly on ‘solutions’ that are technology-driven, market-based and capital-intensive³⁶ (see Special Contribution 1.7 by Magdalena Ackermann, SID, and Charlotte Dreger, FIAN).

UN Secretary-General António Guterres has repeatedly emphasized that human rights must guide all COVID-19 response and recovery measures. This should also mean strengthening the rights of those on the frontlines of the COVID-19 crisis. First and foremost, that means the millions of workers in the healthcare sector. Vanita Mukherjee and Shree Baphna of DAWN point out that around 70 percent of these workers are women, predominantly at the lower ends of the health workers hierarchies. Most of them experience poor work conditions, low wages and job insecurity (see Special Contribution 1.8).

The situation is similar in the education sector. Research by Education International shows that even before the COVID-19 pandemic, teachers’ workloads have steadily worsened, while salaries have remained the same or even decreased. The

situation has continued to deteriorate as a result of the pandemic. The global teacher shortage, which the UN estimated at 69 million even before the pandemic, will continue to grow so long as teaching remains to be “an overworked, undervalued, and underpaid profession” (see the Special Contribution 1.9 by David Edwards from Education International).

COVID-19 highlighted the need to re-value the importance of care and education in society, and to fundamentally strengthen public health, social protection and education systems, particularly in light of the climate crisis now urgently upon us. A precondition for this is to reclaim and invest in public goods and services and legislate an economy that protects the human rights of all residents, present and future. States, large and small, must be willing and able to ensure long-term investments and expenditures, not dependent on market solution, with people-centred monetary and fiscal policies – backed up with democratic global economic governance.

³⁶ See the analysis of Matthew Canfield, Molly Anderson and Philip McMichael, UN Food Systems Summit 2021: Dismantling Democracy and Resetting Corporate Control of Food Systems, Front. Sustain. Food Syst., 13 April 2021, <https://doi.org/10.3389/fsufs.2021.661552>.

The UN Food Systems Summit – the wrong way to respond to the global food crisis

BY MAGDALENA ACKERMANN, SID AND CHARLOTTE DREGER, FIAN

The COVID-19 pandemic and its related crisis of public systems have pushed millions of people to the brink of survival. With the number of those suffering from hunger increasing by up to 161 million from 2019 to 2020 – amounting to 811 million people globally¹ – the pandemic resulted in an exacerbation of pre-existing inequalities.

The increasing corporate capture of food systems is the main machinery to expand the dominant model based on the industrialization of agriculture and food production and distribution. This model demolishes our populations and planet through existential threats, including the climate crisis, deforestation, loss of biodiversity, land degradation, water pollution and countless human rights violations. It has been at the core of triggering zoonotic diseases such as COVID-19, while also making people sick with conditions that increase the risk of severe COVID-19 related

infections and deaths.

On the other hand, the pandemic has shown the resilience of the community-based, localized and diverse food systems, despite their being under constant attack by the dominant industrialized and globalized food system.

It is in this context of crisis and tension between two alternative views of food and food systems that the United Nations is holding a Food Systems Summit (UNFSS). Scheduled to be held in September 2021 during the UN General Assembly meeting in New York, the UNFSS is supposed to address the current problems plaguing food systems. However, this Summit does not intend to address the COVID-related food crisis, nor the structural causes of unsustainable, unhealthy, and unjust food systems. Instead, it is pushing for an agenda that will not help to overcome current shortcomings of the globalized food system but deepen its problems.

Since the Summit's announcement in December 2019, it has received backlash from over 550 civil society organizations due to close ties of the summit organization

with corporate actors, especially through the partnership of the UN with the World Economic Forum (WEF) and the announcement of the president of the Alliance for a Green Revolution in Africa (AGRA) as its Special Envoy.

The UNFSS follows a strong multi-stakeholder approach, which puts on equal footing governments, corporations, other private sector actors, philanthropies, scientists and international NGOs. While Summit organizers aim to create an illusion of inclusiveness, it remains unclear who is in control of taking decisions and by what procedures decisions are made, creating serious problems of accountability, legitimacy and democratic decision-making at the UN. Moreover, the announcement of the Summit was conveyed by the UN Secretary-General instead of being agreed through intergovernmental processes as done by previous Summits. This creates a dangerous precedent in the United Nations, giving corporations a special entry point to global food governance without clear rules, and sidelining existing democratic multilateral and human rights-based bodies such as the Committee on World Food Security (CFS).

¹ FAO, IFAD, UNICEF, WFP and WHO (2021): The State of Food Security and Nutrition in the World 2021: Transforming Food Systems for Food Security and improved nutrition. Rome: FAO.

One of the concrete outcomes of the summit are the so-called ‘coalitions of actions’, which are multi-stakeholder coalitions around a specific set of goals upon which governments, foundations, NGOs and business associations agreed.

However, the definition of those concrete actions is not based on a deliberation process in the hand of UN Member States, but rather exemplifies the risks of multi-stakeholderism. The processes to define those actions lack transparency, while they also appear to bypass the existing power imbalances when inviting ‘everyone to sit at the table’. These are evident features of processes and related emerging ‘concrete actions’ that will continue to value the voices of the most powerful over the voices of those most marginalized.

It is still unclear what the official final outcome of the Summit will be, and how this will be achieved. In particular, no intergovernmental negotiation process seems to be foreseen for this final outcome document, putting in serious question whether the Summit results can be sufficiently legitimate for them to be infused within the existing global food governance mechanisms.

What seems to be the Summit follow-up processes might also have severe implications on the governance ecosystems as the architecture of the Summit preparations may encroach, displace and undermine existing legitimate

intergovernmental institutions. Instead, to preserve multilateralism and democratic governance within the UN itself, the UNFSS’ outcomes should be framed in the same terms as its inception, namely a Secretary-General’s statement only.

These illegitimate mechanisms enable and accelerate the validation of content within the Summit that put forward solutions which clearly serve corporate interests. These are based on a biased problem analysis which ignores both the structural determinants of hunger, climate crisis and inequality, and the solutions from the ground that already exist.

Consequently, the Summit focuses on ‘solutions’ that are mainly technological, market-based and capital-intensive such as digitalization and high-input agriculture. These will exacerbate dependency on global value chains and transnational corporations and further promote ‘farming without farmers’ while also pushing for further financialization of nature, associated with land grabbing and displacement of populations. For instance, Bayer, Syngenta and the World Business Council for Sustainable Development (WBCSD) – an international organization with more than 200 companies working on sustainable development – propose a set of “opportunities to invest in soil”,²

reducing soil to a monetary value as a carbon sink.

The Summit’s agenda further confuses the real transformative pathway of agro-ecology with the greenwashing of corporations such as through nature-based solutions or sustainable intensification while failing to address social and political dimensions for transformation. It treats food as a commodity and not as a human right and part of the commons, leading to solutions that might further marginalize public institutions and communal organizations even though the COVID-19 pandemic has demonstrated the pressing need to strengthen public systems and institutions.

From a transversal analysis of both process and content, criticism of the UNFSS have been expanding and results, today, in an opposition to it as being a “train going into the wrong direction”. Social movements and civil society organisations articulated through the Autonomous People’s Response to the UN Food Systems Summit have organized therefore online and in-presence counter-mobilizations all over the world to denounce the corporate food systems agenda promoted by the UNFSS, but also to defend the work done over the past 70 years to build a multilateral, democratic and civic space for human

² https://www.un.org/sites/un2.un.org/files/unfss_at3_synthesis_propositions_round1.pdf

rights that is the United Nations.³ Under the struggle for a real transformation of the food system based on human rights, food sovereignty and agroecology, the food justice movement, together with the health and climate justice advocates, among others, are uniting in solidarity and globally to resist the advancement of corporate capture within the United Nations.

3 The counter-mobilizations took place from 25 to 28 July 2021 online, but also counting recordings of presential protests at national level to denounce corporate food systems. The programme and recordings of the events can be accessed here: <https://www.foodsystems4people.org>

What have we learned about gender equality during the pandemic?

BY VANITA NAYAK MUKHERJEE AND SHREE BAPHNA, DAWN

The COVID-19 pandemic has highlighted the fragility of hard-won gains for gender equality. Notwithstanding women's biological advantage of being less susceptible to contracting the SARS-COV2 infection and lower death rates from it as compared to men, the social and economic fallout of the pandemic has played out adversely and exacerbated gender inequalities. Multi-layered intersectional identities of race, class, caste, sexual orientation and gender identities, ethnicity, age, ability religion and migrant/citizenship status in the South (and the North) have negatively impacted women's access to healthcare, as well as their economic and educational opportunities.

The pandemic and resulting economic lockdown are a potent cocktail with deleterious economic fallouts that create a domino effect in many spheres of women's lives. Women account for less than 40 percent of the global

workforce,¹ but have incurred an estimated 54 percent of job losses. There are several reasons for this. One, unemployment has disproportionately hit feminized sectors such as services and hospitality, where up to nine of every ten workers are women.² Two, in some developing countries, women workers in the informal sector (92%) outnumber men (87%). And across the globe, 56 percent of all countries report a higher percentage of women workers than men in the informal sector.³ During the first month of the pandemic, informal workers experienced income drops of 60 percent globally, and 82 percent in Asia and Latin America.⁴ Three, women entrepreneurs face specific challenges with lack

of financial support, increase in unpaid domestic work and constraints in mobility during the pandemic like in Bangladesh. And in China, women farm owners experienced more challenges with resource allocations, and were left more vulnerable to the long-term pandemic impacts than male farm owners.⁵

As a result, income gains made by women over the last ten years have declined drastically,⁶ and women are more likely than men to report a drop in income and/or in financial support⁷ from family.⁸ Of the 96 million people that the pandemic could potentially push into poverty, a report from UN Women states that nearly half

1 https://dawnnet.org/wp-content/uploads/2021/06/FPV_Issue-Paper-1_Access-to-Medicines_-Why-Should-Feminists-Care-2.pdf

2 https://dawnnet.org/wp-content/uploads/2021/04/DAWN-Discussion-Paper-32_The-Pandemic-as-a-Portal.pdf

3 https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_711798.pdf

4 https://dawnnet.org/wp-content/uploads/2021/04/DAWN-Discussion-Paper-32_The-Pandemic-as-a-Portal.pdf

5 <https://emerge.ucsd.edu/wp-content/uploads/2021/02/covid-19-and-gender-quarterly-report-oct-dec-2020.pdf>

6 https://dawnnet.org/wp-content/uploads/2021/04/DAWN-Discussion-Paper-32_The-Pandemic-as-a-Portal.pdf

7 https://dawnnet.org/wp-content/uploads/2021/04/DAWN-Discussion-Paper-32_The-Pandemic-as-a-Portal.pdf

8 H. Lewis, The Coronavirus Is a Disaster for Feminism, Atlantic Magazine, April 2020, <https://www.theatlantic.com/international/archive/2020/03/feminism-womens-rights-coronavirus-covid19/608302/>

(47 million) are women and girls.⁹ Job losses for women, combined with an increase in domestic labour at home and care work for their families have further reinforced barriers to economic equality.¹⁰ Unpaid care work has increased by up to 49 percent among women.¹¹

Economic stress caused by the pandemic has impacted young girls negatively, leading to gender-based exclusions. In Asia, girls have been quitting school education during COVID-19 to supplement household income in menial jobs¹² With the closure of schools, and education moving online, the exclusion of the poor, especially girls, has intensified with limited access to digital gadgets like laptops and smartphones.¹³ Even as schools open, the combination of education

budget cuts¹⁴ and families under financial strain make it likely that more girls will continue to remain out of school in order to help with domestic and care work. Under extreme economic duress, there are reports of trafficking in girls,¹⁵ and an increase in child marriages during the pandemic.¹⁶

The lockdown and restrictions on movement during the pandemic has also led to an increase in domestic violence, as women were shut at home with their perpetrators for long periods of time, with limited access to support services.¹⁷ As resources are reallocated to fight the pandemic and health-care services diverted to combat COVID-19, other services considered 'non-essential' are being affected. Among them, according to Gavi, the Vaccine Alliance, are a range of sexual and reproductive

health services.¹⁸ They include maternal healthcare, contraception, abortion and gynaecological services that largely affect women and girls. The risk of unwanted pregnancies is especially high for girls with serious consequences for their life-opportunities.¹⁹ Within the health system, women frontline healthcare and services workers constitute around 70 percent globally,²⁰ and are at the lower ends of health worker hierarchies. They experience poorer work conditions, low wages and job insecurity.

Due to vaccine shortages and delays in receiving supplies around the world, there is a likelihood of rationing in households, with preference given to males. In India, nearly 24 percent more men than women were vaccinated during the height of the pandemic's second wave in

9 <https://www.unwomen.org/en/news/stories/2020/9/feature-covid-19-economic-impacts-on-women>

10 S. Kenward, Covid-19 vaccination strategies must ensure equity for all women, 2 February, 2021, <https://swhr.org/covid-19-vaccination-strategies-must-ensure-equity-for-all-women/>

11 https://dawnnet.org/wp-content/uploads/2021/04/DAWN-Discussion-Paper-32_The-Pandemic-as-a-Portal.pdf

12 <https://theprint.in/world/girls-are-quitting-school-to-work-in-covid-hit-rural-india-nepal-other-asian-countries/506619/>

13 Country level data on the gender gap in mobile ownership and mobile internet use indicate women consistently lag behind men, <https://www.gsma.com/r/wp-content/uploads/2021/06/The-Mobile-Gender-Gap-Report-2021.pdf>;

14 A. Mendez Acosta and D. Evans, COVID-19 and Girls' Education: What We Know So Far and What We Expect, 2 October 2020, <https://www.cgdev.org/blog/covid-19-and-girls-education-what-we-know-so-far-and-what-we-expect-happen>

15 <https://www.indiatoday.in/coronavirus-outbreak/story/covid-19-poor-marginalised-vulnerability-child-trafficking-ngos-1812519-2021-06-08;>

16 <https://www.theindiaforum.in/article/child-marriages-during-pandemic>; <https://www.indiatoday.in/coronavirus-outbreak/story/covid-19-poor-marginalised-vulnerability-child-trafficking-ngos-1812519-2021-06-08;>

17 https://www.unescap.org/sites/default/files/20201119_SDD_Policy_Paper_Covid-19.pdf;

18 Gavi, Why a gender lens is needed for the COVID-19 response, 16 April 2020, <https://www.gavi.org/vaccineswork/why-gender-lens-needed-covid19-response>

19 E. Janoch, M. Rodriguez and B. Turner, Our best Shot: Women Frontline health workers around the world are keeping you safe FROM COVID-19, 25 March 2021, <https://www.care.org/news-and-stories/health/our-best-shot-women-frontline-health-workers-around-the-world-are-keeping-you-safe-from-covid-19/>

20 A. Linde and A. Gonzalez Laya, What the COVID-19 pandemic tells us about gender equality, 9 May 2020, <https://www.weforum.org/agenda/2020/05/what-the-covid-19-pandemic-tells-us-about-gender-equality/>

spring 2021.²¹ There are fears of domestic violence if a woman gets vaccinated before the male ‘head of household’ does.²² Women with disabilities face specific challenges of ‘access’ – related to a lack of sensitivity in designing physical spaces and apps for vaccination services. Similarly, women who are sex workers face discrimination, abuse and lack of access to adequate information, or documentation required to receive COVID-19 vaccinations.

The pattern of gendered pandemic effects in COVID 19 is broadly similar to those witnessed during the HIV/AIDS outbreak, Ebola, and Zika outbreaks. This emphasizes the need to address what the British *Lancet* journal calls the “structural determinants of gender inequality – e.g., political participation and economic systems” – and the “intersections with other inequities” to combat COVID-19 and its detrimental gender impacts.²³ Many countries have not reported sex-disaggregated data, critical for tracking gender impacts. According to this *Lancet* report, only 48 percent and 36 percent of 199 countries reported sex-disaggregated data

on, respectively, COVID-19 cases and deaths.²⁴ And few countries have data that account for gender identity and typically exclude transgender and non-binary people.²⁵ Disaggregated data is key for gauging the nature and extent of gender and other manifestations of inequalities during the pandemic, and to design appropriate policies and programmes for interventions.

21 <https://www.indiatoday.in/diu/story/fewer-women-than-men-taking-covid-shots-in-india-s-vaccination-drive-1810158-2021-06-02>

22 Choosing to challenge gender inequity in the COVID-19 Vaccine rollout, Options, 5 March 2021, <https://options.co.uk/news/choosing-to-challenge-gender-inequity-in-the-covid-19-vaccine-rollout>

23 <https://www.thelancet.com/action/showPdf?pii=S0140-6736%2821%2901651-2>

24 Ibid.

25 <https://globalhealth5050.org/the-sex-gender-and-covid-19-project/>

Recovery in education: The imperative to support and invest in the education workforce

BY DAVID EDWARDS, GENERAL SECRETARY, EDUCATION INTERNATIONAL

March 2020 heralded something unprecedented in the history of education - close to universal closure of educational facilities on the planet. Since that time, teachers, education support personnel and school leaders have been on the front line, struggling to provide quality emergency remote education to all students. Beyond applauding the professionals in public and essential services who continue to support and lead communities as we work through this crisis, the critical question is: How are we going to treat them as we move towards recovery?

Educators during COVID-19: going above and beyond for all students

Learning new skills and deploying new or unfamiliar teaching and learning tools overnight,¹ recording lessons for radio or TV stations, delivering learning materials, and sometimes free

meals, to students in far flung communities— these were some of the daily realities for teachers and education support personnel across the world during the pandemic.

While we are all in the same storm, we are certainly not navigating it in the same boat. In high-income countries, emergency remote education has meant mostly online teaching and learning for which most teachers lacked training, tools and support. In lower income countries, where even electricity is unreliable, teachers had only pen and paper to work with in order to reach their students.

Everywhere, teachers and education staff shared the same concerns about their students' well-being:² their ability to access appropriate devices and a decent Internet connection to participate

in classes, the availability of a safe and quiet place at home to study, support to deal with bereavement, or adequate services to respond to violence they may have suffered at home, not to mention keeping up with curricula. For many educators, these added issues meant long hours spent on individual students and their families and providing additional support well beyond their academic duties.

Working in a female-dominated profession, members of the teaching workforce also experienced a disproportionately high workload at home. In addition to the expanded professional responsibilities, female teachers saw their care burdens surge, putting many teachers on the verge of burnout.

In contexts where schools re-opened and face-to-face instruction resumed, teachers also experienced increased levels of stress and anxiety as they adapted to ever-changing health protocols and teaching modalities, all under a cloud of concern that they might contract the virus, putting themselves and families in jeopardy. To date, most teachers around the world continue to

1 Lisa O'Donoghue, A teacher's experience having to get to grips with online teaching in the midst of a global pandemic, 6 May 2020. Education International, <https://www.ei-ie.org/en/item/23342:a-teachers-experience-having-to-get-to-grips-with-online-teaching-in-the-midst-of-a-global-pandemic-by-lisa-odonoghue>

2 Armand Doucet, Should we continue student learning during covid19? A question of Maslow before Bloom, 26 March 2020. Education International, <https://www.ei-ie.org/en/item/23273:should-we-continue-student-learning-during-covid19-a-question-of-maslow-before-bloom-by-armand-doucet>

lack access to COVID-19 vaccines, because of global inequalities in vaccine production and distribution, but also because of governments' failure to prioritize teachers in national vaccination strategies to protect them and ensure a safe and permanent return to on-site education.

A deepening crisis: The global teacher shortage

Even before the pandemic, the United Nations estimated that 69 million teachers were needed worldwide to achieve Sustainable Development Goal 4 and ensure quality inclusive education for all. However, the global teacher shortage is very likely to increase in light of the pandemic: Education International (EI)'s upcoming *Status of Teachers Report 2021* reveals that more and more teachers are planning to leave the profession.

It is easy to understand why this is the case. Beyond the experience of the pandemic, our research shows that teacher workloads have steadily worsened over the last three years, while salaries have remained the same or even decreased. Permanent tenure is being replaced with casual and temporary contracts, especially in higher education. Continuous professional development is not available and teachers have paid the price for it during the pandemic. This has led to teacher well-being plummeting across the board.

Keeping teachers on the job and attracting a new generation to

the profession will remain an unattainable goal unless teaching ceases to be an overworked, undervalued, and underpaid profession.

Education personnel leading in solidarity for an equitable recovery

Since the beginning of the pandemic, education unions have supported teachers and played a crucial role in helping them to navigate this crisis: providing information, support and training every step of the way.

Social and policy dialogue and decision-making during this crisis - and as we start planning recovery - should be informed by practitioner insights and experiences. In April 2021, in partnership with the OECD, EI published 10 "Principles for Effective and Equitable Educational Recovery" (PEEER),³ a clear roadmap for a collaborative way forward for education systems that places education personnel and their representative organizations at the core of the recovery process.

Education International advocates for equity audits to be conducted at all levels of education in order to assess the impact of the

pandemic on the most vulnerable students and educators and inform an effective and equitable recovery.⁴ A whole set of measures can and should be urgently introduced to support the profession: quality working conditions and terms of employment; continuous professional development opportunities; adequate and effective mechanisms for social dialogue. Addressing teachers' well-being and focusing on the gendered impacts of the COVID-19 crisis are also critical steps.

As schools reopen, teachers are expected to address loss of learning among students and minimize the long-term impact of the crisis on students' education. Supporting and investing in the profession are absolutely imperative going forward.

How will we know if governments are serious about 'building back better' in education? Adopting a collaborative approach that includes teachers and their unions will be a critical first indicator.

³ See https://www.ei-ie.org/en/item/24825:ei-and-oecd-launch-principles-for-effective-and-equitable-educational-recovery?_cldee=c3RldmUuc25pZGVyQGVpLWllLm9yZW%3d%3d&recipientid=contact-e642561e2c0be311af37005056ad0002-6bf018a67945422088bfa7575b8926f8&esid=69fe16f8-e342-41d2-9100-5b133c9d0812

⁴ See <https://www.ei-ie.org/en/item/24239:auditing-educational-equity-in-light-of-the-covid-19-pandemic>

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Exacerbated crises in many countries

Exacerbated crises in many countries

BY ROBERTO BISSIO, SOCIAL WATCH

The COVID-19 pandemic has made people around the world literally sick, tired, and also afraid, and therefore angry. Humans are social animals, and the virus takes advantage of that condition to spread. The balance between blockading and tearing the very social fabric that makes us humans while fighting the pandemic is a delicate one. Our common global problem is being dealt with by nations in many different, uncoordinated, and often selfish ways.

Civil society organizations from around the world are actively caring, struggling and even reporting about their findings to the international bodies that should be overseeing human rights and sustainable development.

They report on the consequences of the pandemic and the economic responses to it, but also on the (lack of) progress and obstacles to achieving the SDGs in their countries. Some reports serve as shadow reports (or spotlight reports) to the Voluntary National Reviews (VNRs) on their governments' implementation of the 2030 Agenda. They give an impression of the very different challenges people face in the respective countries.

Here are a few snapshots from some of these reports:¹

State support is not trickling down: France

France has deep pockets and the government decided early on to subsidize all companies unable to work normally because of the pandemic, explains Geneviève Defraigne Tardieu, from the antipoverty organization ATD Fourth World. Workers were paid 70 percent of their salaries as “partial unemployment” when unable to work from home. In 2020, partial unemployment took 27 billion euros from the State vaults. Exemptions from social security contributions granted to employers further subtracted 4 billion euros. Additionally, 16 billion euros went to a solidarity fund.

In 2021, the French government is expected to spend along those lines some 32 billion euros, thus contributing to the deficit and debt reaching “historic” levels, according to Public Accounts Minister Olivier Dussopt in a March 2021 interview with Agence France Presse. Yet, the French State plans to keep supporting businesses as long as they are unable to function normally.

Have inequalities been reduced by that unprecedented spending? Have the poor been protected from the pandemic? A study by the French National Institute of Health and Medical Research (INSERM) has proven the contrary. The measures to fight COVID-19

¹ The full reports, including all bibliographic references, can be found at <https://www.socialwatch.org/node/18613>

may have effectively slowed the spread of the virus, but the social inequalities that deeply structure French society have been exacerbated. The people in the most precarious situations live in the highest density municipalities and in the most overcrowded housing. This inequality of exposure to the virus is compounded by the fact that the most precarious workers could not do remote work, and have often had essential jobs (personal care, medical care, cleaning) that have exposed them more than others. Most often, they could not afford childcare and overall they have suffered the most from loss of income, to the point of being forced into debt.

The compensatory action of the State has not offset the social inequalities, especially for the working classes, whose financial situation has deteriorated sharply. The forced isolation was difficult to live with, even if it was not strictly speaking a new experience for people experiencing poverty all year around. Stay-at-home orders are not something new. Indeed, being confined to their home, with little leisure time and limited freedom, is the daily life of people who are unemployed, socially excluded and experiencing poverty. The health crisis only exacerbated the problems of access to food, work, and visiting rights for children or parents in care. “We have no say. We have fewer and fewer rights, and life is getting more and more difficult” is how a woman living in poverty described her own situation.

Incoherent policies: Spain

The lack of coherence between government sustainable development commitments and actual policies is the main concern reported by “Futuro en Común” a coalition of over 50 organizations and social movements fighting poverty, inequalities and environmental destruction in Spain. The need to design coherent policies is seen by Futuro as “a necessary condition for a transformational 2030 Agenda through all government actions” and it insists on the need for adequate targets and indicators.

For example, while they commend the Spanish strategy for addressing poverty reduction and inequalities, they demand concrete targets and suggest that to meet the objectives of the 2030 Agenda the Palma

Ratio (the gap between the income of the richest 10% and the poorest 40%) should be less than 1 (in Spain it was 1.32 in 2017; and 1.24 in 2019).

Similarly, the civil society organizations demand targets for the reform of the tax system as a key instrument to redistribute wealth and reduce inequalities and propose an increase in health, education and social services public spending from 15.4 percent to 17.6 percent of GDP by 2030, following ILO recommendations.

The coalition additionally proposes gender equality indicators and strongly emphasizes that, in line with SDG target 17.19, the Ministry of Economy and Competitiveness should account for the country’s wealth using additional indicators that complement GDP and proposes as a target the reduction by half of the environmental footprint of the country by 2030.

Migrants have rights too: Malta

The need for policy coherence, particularly in relation to migrants, is also highlighted in the report on Malta by Kopin (Koperazzjoni Internazzjonali), a Maltese development cooperation NGO. According to the study, authored by Lara Bezzina, the country strategy document for 2050 mentions asylum seekers and immigrants as groups at risk of poverty, but poverty-reduction measures do not specifically address them. Migrant integration is also not addressed in the Malta 2018 VNR report, which only mentions migrants with regard to the setting up of an Integration Unit and to labour market needs. The latter area – being one where migrants face ample discrimination and weak law enforcement- lacks policies that aim at curbing illegal employment and discrimination by employers. To be sure, the national employment agency Jobsplus inspects workplaces and takes action against abuses related to work; it also provides the opportunity to anonymously report situations of undeclared work through a free phone number and website. Such reporting measures, however, work under the assumption that all workers have access to the internet, know English or Maltese, are literate, and are aware of their rights and of the existence of these measures.

Furthermore, the impact of policy measures relating to migrant workers is not measured or monitored. In practice, migrant integration is also far from ideal. Derogatory public discourse by various politicians against foreign workers as well as Muslims are examples of the lack of such integration. And while a Hate Crime and Speech Unit has been set up, this is targeted at supporting victims of hate speech, rather than prosecuting perpetrators. On a positive note, Jobsplus, among other initiatives, also launched a project for migrants which offers guidance and job brokerage services to asylum seekers and migrants with protection status. However, this project does not train employers or raise awareness on migrant discrimination (although the project will include a publication targeting employers, highlighting various services and information on current misconceptions).

Decoupled growth – not yet: Germany

In Germany, VENRO, the Association of German Development and Humanitarian NGOs, highlights that governmental support for short-time work has been an important social and economic factor during the COVID-19 pandemic. Yet, poverty numbers have been going up in recent years as economic growth and increased wealth does not benefit society as a whole. Fully 15.9 percent of Germans are at risk of poverty, especially vulnerable groups and people working in low-wage jobs. Germany is one of the richest countries in the world. It is unfathomable that people are living in poverty in Germany at all. COVID-19 has also shown how the privatization of care and health has taken its toll: hospitals are closing, especially in rural areas, while compared to other OECD countries, nurses have to care for a much higher number of patients, and the lack of nursing staff ranges between 63,000 to 120,000.

On top of such social injustices, the German civil society organizations are highly critical of the German Sustainable Development Strategy, as it “tends to list selected policies that are going well in great detail, but inadequately deals with negative effects of unsustainable policies”.

The German VNR on implementation of the 2030 Agenda states that “growth needs to be decoupled from

resource use”. However, this recognition is not reflected in German policies at all. Security of supply for German industry is still the main driver behind German resource policies, and German industry is the fifth largest consumer of metal resources worldwide. The country’s waste production is yet another example of unsustainable practices that keep getting worse. Germany produced 417 million metric tons of waste in 2018, each German uses 16,000 kg of resources annually, of which only 12 percent is from recycled materials. “We need to drastically change this resource waste, stop exporting our trash to the Global South and introduce ambitious circular economy policies,” concludes VENRO.

Privatizing sustainability: Switzerland

Can sustainability be achieved by market forces? The report by the Swiss CSO Platform for the 2030 Agenda, authored by Eva Schmassmann and Israel Mariano, describes the country’s sustainability strategy as one of “privatizing sustainable consumption” and it concludes that “it will not work”.

According to their report, “the strategy relies too heavily on the assumption that informed and sensitized consumers will also behave sustainably”. However, experience shows that, on the contrary, behavioural changes will only come about if accompanied by clear guidelines.

For example, we have known for decades that our activities negatively impact the climate. But our behaviour in front of the shopping shelf is influenced by various parameters: values, price, convenience, advertising. It is impossible to convey all the information regarding sustainability on the product: from water and energy consumption to working conditions in production and profit distribution in the company.

Privatizing sustainability through responsible consumption is doomed to failure and overburdens consumers. The State is called upon to set rules and minimum requirements - and thus the framework for sustainable development. Regulations and sanctions are needed to take action against companies that behave in a way that violates human rights and is harmful to the environment. Voluntary action is not enough.

In November 2020, after many years in the making, an initiative on responsible business that would introduce mandatory human rights due diligence requirements for Swiss companies was brought to a referendum. The initiative got a 50.7 percent majority of votes, but it failed to pass because it did not win also in a majority of the 23 cantons, as the Swiss constitution requires.

Hunger in a rich country: United Kingdom

Across the UK, the COVID-19 pandemic has exacerbated food insecurity. In response, there has been a grassroots movement of towns and cities declaring themselves to be “right to food areas”. These areas include Liverpool and the Liverpool Combined Authority, Manchester and the Greater Manchester Combined Authority, Rotherham, Totnes, Brighton and Hove, Haringey, St Helens, Newcastle, Portsmouth and Durham. By declaring themselves to be right to food areas these places have committed to taking a rights-based approach to ending hunger as well as calling on the UK government to take similar steps including through incorporating the right to food into domestic legislation.

A report by Jasber Singh, Associate Professor at Coventry University’s Centre for Agroecology, Water, and Resilience, and Imogen Richmond Bishop, from Sustain, the Alliance for Better Food and Farming, shows how the COVID-19 pandemic has highlighted and reinforced serious inequalities and failings in the UK food system, and has crucially shown the serious deficiencies of reliance on a market based and profit oriented food system that ignores the needs of the people and the planet that make food production possible in the first place.

The food system in the UK has failed to address the challenges of poor employment terms and conditions, inequalities in food security and environmental degradation. Strengthening environmental protections within the food system is therefore urgently needed. The pandemic also exposed how the food system is a site of poor pay and working conditions, failing to protect its workers, and showed how food insecurity and malnutrition outcomes dramatically increased, especially for young people, single mothers with children, and ethnic minority groups.

Negative impacts of the food system speak to broader structural problems in the UK. Analysis of food insecurity reveals entrenched inequalities based on race, gender, disability, age, immigration status and intersectional deformations. As such, food insecurity exposes an undercurrent in the UK of ableism, racism and sexism, which are generally made invisible or not considered as drivers of hunger.

Growth at any cost: Cyprus

Cyprus is a case where coherence around sustainable development was explicitly abandoned in favour of the pursuit of economic growth. The civil society alternative report to the Cyprus official VNR was written by Theocharis Michail, Antonis Foukaras, Alexandra Taylor, Andreas Georgiou, Charalambos Vrasidas, from CARDET, a leading development NGO.

The first VNR was published in 2017, stating that Cyprus did not fully subscribe to the SDG framework due to the economic crisis. The Cypriot government focused instead on improving socio-economic indicators through its traditional growth strategy and through the automatic mechanisms of European legislation, overlooking the environmental sphere. Years later, in the 2021 VNR, there has been an apparent trade-off between an unrestrained focus on growth policies and an observable de-prioritization of SDGs, including affordable and clean energy, decent work, reduced inequalities and climate action.

Armed cooperation: Czech Republic

A key indicator of development partnership is the willingness to cooperate with poor countries and regions in their inclusive development. The Czech Social Watch Report 2021, edited by Magdaléna Šipka and Tomáš Tožička finds the Czech Republic has been lagging in this respect, failing to meet its obligations based on its membership in the European Union, specifically, allocating at least 0.33 percent of GDP to development cooperation. The Czech Republic has been providing the second lowest contribution of the OECD countries: 0.13 percent of its GDP. And these monies have been hardly assisted those “left behind”. The largest beneficiaries of Czech support are Bosnia and Herzegovina, followed by Turkey, due to its

suppression of migration at the EU borders. The list continues with Ethiopia, Moldova, Georgia, Iraq and Afghanistan. The largest multilateral beneficiary is UNHCR (the UN Refugee Agency).

The Ministry of Foreign Affairs has clearly no concept of international affairs other than national economic interests. The majority of Czech foreign ministers' travels abroad have been conducted with the intention of promoting foreign markets for selected goods and services, including arms.

The acquisition of the weapons manufacturer New Colt Holding Company by the Česká zbrojovka Group in 2021 was repeatedly depicted by the Czech media as a great success by a major Czech company. The official statistics of the Ministry of Trade and Industry, published in 2020, make it clear that this "success" is due primarily to exports to Mexico, Brazil, China, the Philippines, Vietnam, the Russian Federation, Egypt, Israel, Saudi Arabia and the United Arab Emirates. Many of these countries have less than perfect human rights records.

The export of Czech arms material shows a rising tendency – from US\$ 98 million in 2001, to US\$ 750 million in 2019.

One of the major scandals of 2020 was the quiet lift of the arms embargo imposed on Turkey by the European Union following the Turkish invasion of Northern Syria. In April 2020, statistics published by the Netherlands showed more than 10 million units of ammunition exported to Turkey via Rotterdam. The Czech Ministry of Foreign Affairs provided a weak excuse that the exports went to the areas, where "there are no longer clashes between the Turkish and the Kurdish forces".

The Czech Social Watch coalition strongly recommends cutting down arms expenses and putting exports of arms and military material under parliamentary control.

A hate-based society: Hungary

The Hungarian ruling party FIDESZ incites and exploits hatred against refugees, the poor and Roma

people. The government is sharply opposed to the idea of basic income and basic social care. The country is becoming a hate-based society, concludes the Hungarian Social Watch report 2021, after assessing the latest trends in many areas.

According to European Union statistics, overall poverty is decreasing, and the risk of exclusion has fallen below the EU average in Hungary in 2018. But the number of people living in extreme poverty - and here the Roma are very strongly represented - is rising, and they are forced to take on low-paid, uninsured, illegal jobs.

Inequalities have increased to an unusual extent and the most vulnerable are becoming more and more distant from the rest. Those in the bottom income decile in the country receive HUF 200,000 (approx. US\$ 700) per year in overall State financial support and those in the top decile receive HUF 700,000 (approx. US\$ 2,456). This is scandalous.

Economic growth over the past decade, government family support measures and EU support programmes had led to expectations that the gap would narrow. This has not been the case. Rather, the data suggest that income gaps have only been preserved. In reality, the situation is even worse, as the income of the fastest-growing strata are only partially included in the statistics, as much of it is realized abroad.

While wages have risen by almost 100 percent in nominal terms since 2010, pensions have increased by only 33 percent and social benefits have risen almost not at all. This is mainly because most of these benefits are tied to the current minimum pension, which has remained unchanged at HUF 28,500 (US\$ 100) since 2010. This means that the most vulnerable, pensioners and those in need of social benefits, are being pushed further and further away from the rest. They are the main losers in the vision of a "work-based society", with most of them sliding down the income ladder after 40 or 50 years of work while constant changes to the Labour Code are taking more and more rights away from workers, and the trade unions are weakened.

Citizens Monitoring COVID-19 Response Programmes: The Philippine experience

BY SOCIAL WATCH PHILIPPINES¹

To contain the spread of COVID-19, strict stay-at-home orders were imposed in Metro Manila and key regions of the Philippines from mid-March to end of May 2020, severely disrupting people's lives and business activities, causing huge economic losses as well as loss of jobs and incomes among millions of Filipinos. To support badly affected households and businesses, the government launched its COVID-19 Response Programme called PH-PROGRESO in three stages: Emergency Stage (March to May 2020), Recovery Stage (June to December 2020, and Resiliency Stage (2021 onwards).

The programme was to be financed largely through the realignment of the national budget and fresh borrowings and grants from international financial institutions. Social Watch Philippines (SWP) undertook the monitoring of key programs for COVID-19 and found some bright spots as well as weaknesses

in the implementation of the programmes.

Inclusion and exclusion, adequacy of funding

Covering 18 million low-income families, with a budget of 200 billion Philippine pesos (US\$ 3.9 billion), the Social Amelioration Programme (SAP) was by far the most comprehensive government social protection measure in mitigating the adverse socio-economic impact of the pandemic and nationwide lockdown. The distribution of the first tranche of the emergency subsidy monies benefited more than 17 million families. This number drastically declined to 14 million families in the second tranche owing to de-duplication and delisting of unqualified beneficiaries. More significantly perhaps was the fact that the second tranche was limited to areas under strict lockdown. This effectively excluded millions of first tranche recipients and more than 10 billion out of the 200 billion peso budget were left unspent at the conclusion of the programme.

The COVID-19 Adjustment Measures Programme (CAMP) for

formal workers was overwhelmed by the unexpected magnitude of 1.6 million applicants nationwide. Nearly a million worker applicants had to be turned away when its budget of 3.3 billion pesos was exhausted by mid-April 2020. The Small Business Wage Subsidy (SBWS) programme targeted one million micro, small and medium enterprises and 3.59 million workers, but reached only 15 percent of these.

The two-month duration of cash assistance did not begin to match the financial and job insecurities that people experienced. Community consultations showed that the people considered the aid inadequate for their essential needs during the months-long lockdown.

The distribution of SAP cash relief encountered tremendous delays, negating the urgency of the relief measure. The subsidy was supposed to be distributed in two tranches in the months of April and May but took nine months to complete. The lengthy and manual process of beneficiary profiling, de-duplication and validation of the list of beneficiaries were the major causes of the

¹ Based on the Social Watch Philippines 'Citizens' Monitoring of Financing for Covid-19 Response and Recovery: Focus on the Asian Infrastructure and Investment Bank Loan Project' Report with support from Oxfam Pilipinas.

delay. Confusion in interpreting overlapping guidelines also contributed to delay. Delays were also experienced in the distribution of SBWS subsidies to former CAMP beneficiaries due to verification of the amount of top-up that should be given to the latter.

The local governments and neighbourhoods (*barangays*) played a critical part in implementing the SAP programme. Their role in data collection and beneficiary identification and validation including in the distribution of cash aid has helped the programme achieve its targets. The local governments also provided local funds for COVID-19 programmes and services like testing, vaccination, support to local hospitals and financial and relief assistance to the residents.

Yet, the intrusion of discretionary politics at the local level, particularly in the identification of potential beneficiaries, as well corruption in the cash subsidy distribution process marred the implementation of the SAP programme. *Barangay* captains were reported to have favoured relatives and political allies in the distribution of the social amelioration cards. There have been reports of *barangay* officials chopping up a single pay-out into several parts for different households, beneficiaries receiving very small amounts, and low-income households not receiving aid at all while better-off households do.

Citizen participation. Some citizens groups managed to create

access points for participation in the implementation of the SAP programme that helped ensure that it would reach and benefit the intended beneficiaries. This was evidenced in the experience of some *barangays* in Manila and Tacloban City. Women leaders and senior citizens in the community actively participated and led in closely monitoring and scrutinizing the beneficiary lists to ensure that qualified beneficiaries were included and in pointing out irregularities in the distribution of subsidies. In another instance, consensus building among *barangay* officials and beneficiaries helped diffuse a potentially contentious issue in the distribution of SAP subsidies.

Women and children were the first to suffer as the local health systems at the *barangay* level were forced to limit or suspend community services, for example, pre-natal consultation, family planning, free contraceptives, children's immunization due to the lockdown enforced by the national government. The pandemic exposed existing health issues, such as lack of water, sanitation and hygiene, that have long been felt by the community. Shifting to online classes of children entailed additional costs for internet connection, computers, cellphones and cellphone load. It also meant expenses for protective gears like face masks and face shields.

Women tended to feel and take on a lot more responsibility than men during the pandemic. As men were forced to stay home due

to job loss, women continued on with household chores and added responsibility of helping children with their online classes, caring for sick members and taking on casual jobs to earn some money.

Policy and programme recommendations

Harmonization and integration of different social protection programmes is desirable as it eliminates fragmentation, duplication and overlapping of mandates and target populations that is not only administratively costly but confusing as well to the targeted programme beneficiaries.

More strategically, it is advisable to adopt a policy of geographic universality for the provision of cash transfers, focusing first on the poorest villages and municipalities with a view to scaling up until the coverage is universal. This is because this not only promotes a right-based entitlement approach but also expedites the delivery process as it does away with the tedious and inefficient targeting of specific households which oftentimes excludes others who need the provisions too.

Women have multiple roles in family and society that are further put to challenge in times of crisis like the pandemic. Policy attention to women and their needs should inform the design of social protection programmes such as by strengthening institutions of care (e.g., public daycare centres, health centres, schools) which will allow them more

time for self-care or to look for opportunities for paid work.

Finally, it is important to provide substantive and meaningful spaces for citizens' participation in the design, implementation, monitoring and evaluation of programmes that aim to address the health and livelihood crisis spawned by the COVID-19 pandemic. This will also be necessary as the country 'moves on' from the pandemic and builds a more transformative future.

Global obstacles: Bangladesh

The Bangladesh civil society report on sustainable development, prepared by the Equity and Justice Working Group Bangladesh (EquityBD) with the consultation of Development Synergy Institute, Coastal Livelihood and Environmental Action Network (CLEAN), highlights the main obstacles imposed by the global system on the country.

Among these is climate change, and the report highlights the fact that Bangladesh “is one of the most affected and vulnerable countries, even being one of the least carbon-emitting countries”.

To face the impact of climate change, the government has adopted different policies and established two funding mechanisms, namely, the Bangladesh Climate Change Trust Fund (BCCTF), and the Bangladesh Climate Change Resilience Fund (BCCRF). Studies and reports are alleging corruption and mismanagement in both of these funds. Studying the governance practices of the World Bank-led BCCRF project, a report by Transparency International Bangladesh revealed several challenges including faulty disclosure of information, nominal involvement of affected people in the project implementation process, political influence in selecting contractors, violation of public procurement rules, lack of accountability and proper monitoring, poor quality of construction and absence of effective complaint redresses mechanisms. Apart from these irregularities, the study also identified project finance being disbursed as credit assistance, contrary to the principles of climate finance.

Along with such allegations, CSOs of Bangladesh also alleged that the government’s national budget doesn’t pay proper attention to protect the 25 million coastal people, which is about 15 percent of the total population, vulnerable to natural disasters.

Of 5,700 km of dams, about 2,100 km have been damaged in the last 14 years. But in the last five years, only 59 km of new dams have been built, while Cyclone Amphan in May 2020 damaged 255 km of embankments.

There are several allegations about the transparency and accountabilities of the respective institutions responsible for the embankment building and repair. Lack of public involvement is another complaint from the CSOs.

Unquestionably Bangladesh has made several praiseworthy achievements in terms of development. Bangladesh has gained financial ability in mobilizing internal resources, dependence on development partners has been reduced drastically. But corruption, especially illicit financial flows, are the big blow to its development efforts. Amounts equal to over a third of Bangladesh’s total tax revenue illegally flowed out of the country in 2015, according to UNCTAD’s LDC (Least Developed Countries) Report 2019 (see Box).

Illicit financial flows from Bangladesh

The 2019 Global Financial Integrity report on illicit financial flows to and from developing countries showed that at least US\$ 5.9 billion flew out of Bangladesh in 2015 through mis-invoicing in international trade with advanced economies. The country lost the second-highest amount of illicit financial flows after India among the South Asian nations. Bangladesh tops the list of least developed countries for illicit financial outflow and ranks 40th among the top 100 countries. The amount of finance transferred unlawfully from the country over the past 10 years exceeds the current fiscal year's budget.

The Anti-Corruption Commission (ACC) of Bangladesh has been taking strict actions against corruption, but the government is also encouraging black money holders by providing opportunities to whiten/laundry these assets. According to the national budget passed recently by the national parliament, undisclosed money holders have yet another year to legalize their dirty money without facing any question about sources of income through investments in almost all sectors.

One of the reasons for illicit financial flows is the lack of governance in the country's banking sector. The sector is burdened with sky-high default loans and over time, it has become a curse. Bangladesh tops in default loans in South Asia, due to a culture of squandering public money in the name of bank borrowing.

Countries like Bangladesh can't stop illicit financial flows without the support of the countries that are the main destination of these flows. Resources are being smuggled, illicit funds are being transferred to rich countries like Canada, the USA, UK, Switzerland, Malaysia. According to data presented by the Swiss National Bank (SNB) annual report, "Banks in Switzerland 2019", the total amount of deposits of Bangladeshi people in different Swiss Banks in 2019 was 603.02 million Swiss francs. About 80 percent of money laundering occurred through trade-based money laundering. In Canada, there is a luxurious residential area in Toronto known as Begum Para (area of wives) where many Bangladeshis have bought luxurious residences where mainly the wives and children of Bangladeshi millionaires live.

The arrogance of capital, even under occupation: Palestine

COVID-19 and the resulting lockdown measures are having tremendous social effects in the West Bank and Gaza Strip, according to the report of the Social and Economic Policies Monitor (Al Marsad), authored by Abdalaziz Al-Salehi. The number of women working in the private sector decreased from 109,000 in 2019 to about 98,000 in 2020. Additionally, the informally employed, who do not benefit from rights such as paid annual leave, or paid sick leave, constituted 62 percent of the workers in Palestine.

Lacking labour and social protection funds, the Palestinian government established a "Waqfet Ezz

Fund" in April 2020, run by Palestinian private sector leaders. The fund sought to assist the thousands of Palestinian families made vulnerable because of the crisis, workers who lost their means of livelihood and sources of income, in addition to supporting the needs of the Palestinian health sector, in terms of medicines, devices and medical equipment.

The total donations to the fund amounted to approximately 12 million Jordanian dinars (some US\$ 17 million) as of May 2020, a little over half of the 20 million dinars target. This experience revealed that there is no alternative to having an effective social protection system, and there is no alternative to social security, as Palestinian capital and the private sector refrained from playing a role in overcoming the COVID-19

pandemic crisis. This is mainly because the fund was of a voluntary nature, and repeated appeals and calls by NGOs for companies to donate 10 percent of their annual profits. But many major companies and businessmen hesitated to donate to the fund at all.

The continuation of the occupation and its colonial policies are among the main issues undermining the lives of the Palestinians and depriving them of freedom, progress and prosperity. Nonetheless, the absence of social security and protection funds under the Palestinian Authority makes the life of workers in the occupied West Bank and the besieged Gaza Strip additionally hard. While it is true that the occupation impedes the work of the Palestinian Authority, this does not mean that we lose sight of the rights of a segment of Palestinian society that are the workers. The labour unions in the occupied West Bank and the besieged Gaza Strip need to be reformed in a democratic manner to ensure the protection of workers.

During the COVID-19 pandemic, labour unions were unable to lobby for solutions and secure from the Ministry of Labour and the employers an equitable agreement on the rights of workers during the emergency. The Palestinian authorities, trade unions and the employers signed a non-binding agreement, but thousands of workers were dismissed, as the Palestinian Ministry of Labour was visibly weak in obliging the private sector to implement the agreement in the face of the arrogance and dominance of Palestinian capital.

A lost opportunity: Bahrain

“The challenge to deal with the COVID-19 pandemic could have been an opportunity to envisage a strategy and policies that unify the people and the State, but unfortunately this did not happen,” reports the Bahrain Transparency Society (BTS).

The government of PM Shaikh Salman Alkhalifa undertook a wide range of measures to counter COVID-19, such as tests, vaccination, medication, lockdowns, restrictions on gatherings and travel to minimize the health hazards and the damages, but it acts unilaterally, without engaging with people or listening to their concerns.

Bahrain was quickly contaminated with the Delta variant of the virus and at the peak of the wave it ranked among the first in deaths per population worldwide, but the government continued to open the country to travellers while closing some economic sectors, in stark contradiction between the care for population health and influential economic interests.

The COVID-19 pandemic aggravated the crises that Bahrain has been undergoing even before the pandemic. There have been appeals by Bahrain prominent personalities, CSOs and respected institutions and similarly by international parties for the government to embark on national reconciliation so as to mobilize all resources to counter COVID-19 and its ramifications. The economic demise, and high unemployment could lead to disturbances. COVID-19 and its ramifications have facilitated the assumption of more unilateral authority by the government while other State institutions such as the Parliament and civil society, have become more marginalized.

Freedom of expression and opinion have been restricted more while civil society organizations have been curtailed further. More of those organizations using social media, especially twitter, have been prosecuted for critical writings.

Great concern has been aroused about the imminent danger to the lives of thousands of detainees and prisoners susceptible to COVID-19 infection in custody. Despite wide protests, campaigns and appeals to release prisoners of conscience through a Royal Amnesty nothing happened. The death of two inmates, Abbas *Malallah* and Husain Barakat, incited more protests, but the government did not release the inmates most susceptible to infection such as those with chronic diseases and old age. The demand for respect for human rights sparked wide protests and more arrests, violence and instability in June 2021.

Lebanon's multiple crises

BY RASHA FATTOUH, ARAB NGO NETWORK FOR DEVELOPMENT (ANND)

The spread of the coronavirus in Lebanon came in the wake of a threatening political and economic crisis that hit the country in mid-2019. Prior to the pandemic, Lebanon has been suffering from an economic recession that exploded in August 2019. The Lebanese economy was showing signs of the crisis starting from 2016 when the debt service level was increasing (35% of the budget) along with the negative balance of payments and the deficit exceeding 11 percent. This was accompanied by the destabilization of the exchange rate. Poverty and unemployment rates were rapidly increasing due to massive business closures. In addition, the country faced the collapse of the banking sector, making it difficult for individuals and households to access their bank accounts.

In the face of this economic turmoil, the Lebanese population took to the streets on 17 October 2019 calling for political and systemic changes and for economic reforms. The mass protests forced the resignation of the government, a new government was appointed in January 2020; The COVID-19 pandemic exacerbated the economic crisis but turned the tables in favour of the traditional political elites. With lockdown

and containment measures being imposed, and the number of cases increasing, the protests were demobilized, and they could not continue with curfews and restrictions on movement.

The newly appointed government's lack of a proper response has left most of the families starving, helpless and incapable of affording basic necessities. Containment measures have only shed light on existing gaps in Lebanon's social protection system. There are little or even no formal programmes to support poor households. Even the government's decision to distribute 400,000 Lebanese pounds (approximately US\$ 265) to the poorest families--which was taken back on 1 April 2020--implemented by the Lebanese Army in coordination with the local authorities, was very vague and poorly organized. Most of the beneficiaries were not among the families in need but selection took into consideration their political and sectarian affiliations.

On top of that was the enormous explosion of 4 August 2020 that shook the entire country, resulting in 206 deaths, more than 6,000 injuries, US\$ 10-15 billion worth of property damage and the displacement of 300,000 people

from their homes. It is also worth adding that the blast destroyed nearby hospitals and several overly crowded healthcare facilities all during the pandemic and resulting healthcare crisis, when medical resources and supplies were already limited, and the healthcare situation had never been worse.

After the blast, the government resigned, leading to a political crisis on 6 August 2020 despite the most existential and complicated crisis in the modern history of the nation. Poverty and unemployment rates are dramatically rising, soaring inflation rates are coupled with food and medicine shortages, thus creating an escalating increase in prices. Concerns about increases in malnutrition have taken the spotlight too as a result of reduced access to food and insufficient dietary intake for many of the most vulnerable. The medical sector has been exhausted, with hospitals and pharmacies unable to provide basic needs and medicines. The public health sector faced the first shock while the private health sector was facing financial shortfalls that decreased its ability to respond to the mounting needs. Adding to the nightmare were 22 hours-per-day electricity

blackouts, and shortages of fuel, which also led to an education catastrophe. With no electricity, and no internet connection, a lot of children were not able to continue their education and ended up dropping out. And, with 55 percent of the Lebanese population living in poverty, not every household could afford an electronic device for their children to attend their classes. All of these immense socio-economic consequences of the pandemic are most likely to worsen and become more long-lasting than the pandemic itself. The weakened State and its inability to confront corporate monopolies, especially in the energy sector, medicines and food, exacerbated the crisis and caused shortages in basic commodities.

In general, the Lebanese government has neither initiated nor implemented any crucial reforms in support of an economic rescue plan. Consequently, the donor community abstained from supporting Lebanon, limiting their interventions to the immediate humanitarian response through civil society and non-state actors. Civil society organizations have stepped up to compensate for the government's shortcomings. They served as first responders to the crisis despite the fact that the pandemic suspended their most basic activities. With limited funding opportunities, lacking the capability to accommodate fundraising events, and with the continuous drop in governmental support, several CSOs are at risk of not being able to operate further. Even the financial rescue plan

that was developed, was never approved but restricted due to political deadlock. Thus, several CSOs and volunteers took their own initiatives, and decided to act swiftly despite lack of resources and limited capabilities. Most of the activities are funded by solidarity campaigns from the Lebanese people, both in Lebanon and in the diaspora. Again, with the absence of an adequate and inclusive plan to deal with the socio-economic repercussions of the pandemic, Lebanese civil society has a significant role to play in protecting the most vulnerable. The challenge remains in being able to survive, and able to supply adequate resources.

The World Bank suggested two rescue plans: one was an immediate loan to provide humanitarian support to the poorest families, but the Ministry of Social Affairs failed to provide the relevant data and the programme is still not implemented. The second is a loan to target 70 percent of families with food vouchers on the condition that the government lift subsidies, basically food, medicines and oil; these austerity measures will create an increase in poverty to more than 65-70 percent. Not surprisingly, civil society is highly critical and calls for the implementation of a comprehensive social protection plan covering health, education and food support.

Most recently, the IMF decided to provide Lebanon with US\$ 860 million in the form of Special Drawing Rights (SDRs). The Lebanese authorities don't have

a vision in terms of how to set priorities; some are suggesting using the SDRs to provide humanitarian and food support, others to invest in infrastructure. Civil society suggests a third option is to invest in productive sectors, mainly food processing and the pharmaceutical industry. However, whatever the objectives are, there is no trust in the current highly corrupt ruling politicians where the risk to waste resources is very high.

The multiple crises have increased social volatility and insecurity as pressure rises to provide basic necessities among extremely scarce resources. The Lebanese population is now struggling for survival, and the government has failed to carry out any reforms that could have boosted the economy or at least have unleashed international aid. It has historically depended on huge amounts of debt to pay its bills, making it the third most indebted country in the world, and prevalent corruption has also drained governmental funds. For any hope of recovery, it is crucial to introduce core systemic reforms, securing the efficiency of the political institutions and judiciary as well as the public administration. It is imperative to establish oversight and accountability mechanisms to monitor public spending and adopt structural changes, such as a new economic reform plan that draws a roadmap for more progressive and effective taxation and strives to build back the trust that has been completely abolished.

Sovereign space needed: Puerto Rico

In 2016 Puerto Rico lost most of its economic autonomy, when Governor Alejandro García Padilla declared the island was unable to pay US\$ 72 billion of debt nor the pensions owed by the government. The US federal government applied its procedures for bankrupt local governments and bought Puerto Rican bonds to replenish the island's vaults but imposed a Financial Oversight and Management Board, known locally as *la Junta*, which since then determines economic (and therefore social) policies.

“While countries progress towards a global minimum corporate tax and even mainstream economists recommend active government participation in the economy and more public investment, to counter the impact of the pandemic, the Junta keeps applying public policies that privatize and eliminate essential public services, reduces public expenditures and promotes further indebtedness while keeping corporate taxes low” denounces the report by Martha Quiñones Domínguez and Iván Elías Rodríguez, from the Observatorio de la Deuda – University of Puerto Rico.

The report proposes that recovery from COVID-19 and natural disasters must be based on:

- Ecological transition: to shift into renewable energies, rehabilitate houses, protect and restore ecosystems.
- Digital transition: to close the digital gap and develop norms for home work and distant education and improve working conditions and salaries of workers that have increased their productivity thanks to their mastering of the new information and communication technologies.
- Gender equality: to reduce gender gaps in the labour market, fight gender-based violence and reform the educational system with a gender perspective.
- Social cohesion and welfare: to strengthen public health and education, actively promote employment, support the care economy and strengthen social security to correct the externalities generated by capitalism.

To implement these policies, the report argues that the structural limits imposed by the colonial condition need to be lifted and thus they demand sovereign powers and the elimination of *la Junta*.

Assistance or rights: Mexico

In Mexico the SDG targets lack the necessary resources to be met, as evidenced by recent natural catastrophes and the COVID-19 pandemic, concludes the Informe Luz (Spotlight Report) 2021 written by Laura Becerra Pazos (Equipo Pueblo) and Roberto Pérez Baeza (The Hunger Project Mexico) on behalf of 18 major civil society organizations.

The victims of the 2017 earthquakes have not been properly cared for yet, and while the government has announced a strategy to place “the poor first”, both for cash transfers as well as for vaccinations, the different needs of various groups are not always considered. As a result, some programmes have positive impacts while others end up discriminating by omission.

The report recognizes that the Mexican government has had to face the COVID-19 pandemic with a health system that has been abandoned and dismantled for two decades. In that context the right decision was made to buy vaccines and distribute them free of charge, in a context where most developing countries are paying for them three times more than developed countries or will only have access to vaccines in 2022.

The government has initiated direct support programmes for vulnerable populations, such as working mothers; primary, intermediate, and higher-level students; agricultural populations, and older adults. In addition, microcredit and no-guarantee credit programmes have been launched to allow small and medium-sized urban and agricultural entrepreneurs to sustain their activities, while another programme encourages the labour participation of young people.

Yet, the impact of these efforts is difficult to assess, as they are not adequately supported by capacity building to enable the targeted groups to become active citizens. In 2018 the government promised “a new development paradigm, centred on the well-being of

the population, understood as effective access to all their human rights". But in implementing this vision, the engagement of local organizations, communities and direct participation of civil society have not been included. Lots of people living in forests have been left out of programmes for community forest management and payments for environmental services. Girls, boys and teenagers are still considered as family property and not rights-holders and the lack of effective control of gender-based violence leaves behind many girls and women. A debt towards the population in rural and marginalized areas, victimized by decades of presence of a narco-state remains unpaid. The struggles for human rights, to defend the environment or against gender-based violence continues and is often stigmatized. In the first half of 2021, 477 women, 15 environmental defenders, 24 human rights defenders and 6 journalists have been murdered.

Lessons from Colombia: To address the causes of social unrest, be serious about progressive tax reforms

BY SERGIO CHAPARRO HERNÁNDEZ, CENTER FOR ECONOMIC AND SOCIAL RIGHTS

Colombia has been in the headlines of global news this year, thanks to an unprecedented national strike, called in response to an economic and social crisis which was exacerbated by the pandemic but certainly predated it. The protests themselves were harshly repressed; from 28 April until 26 June, national human rights organizations recorded that at least 33 people died as a result of shots fired by the National Police during the strike.¹ As documented by the Inter-American Commission on Human Rights, there are many more victims of homicides, sexual violence, forced disappearances or severe injuries in the context of the protests, although the exact numbers vary according to different sources.²

The unfolding situation in Colombia is part of a regional pattern of economic and social rights crisis that ended up in

a broader human rights crisis precipitated by governments' repressive responses to protests. It is reminiscent of the events of 2019 in Ecuador, Chile and Colombia itself. The protests in Colombia are also an example of another pattern notable globally in recent years: unrest unlocked by opposition to regressive fiscal policies. The Colombian demonstrations started in response to a tax reform proposal made by the government back in April; although their causes go far beyond that. The defenders of the reform argued that it was an ambitious initiative that would finance social spending and reduce inequalities amplified by the pandemic. But the loss of trust in government and the inclusion of measures such as VAT increases on basic goods, or an increased tax burden on the middle class - without explaining how the wealthier were going to contribute more - unleashed citizen outrage.³

Before the pandemic, Colombia was already one of the most unequal countries in Latin America – itself the most unequal region of the world. In 2019, the richest 10 percent of the population accounted for 48.6 percent of the national income. Within this richest segment, 1 percent held 19.6 percent of total income, while the poorest 50 percent had to get by only with 12.0 percent.⁴ Inequality remains practically the same before and after taxes and transfers. The redistributive capacity of the State is very low, not only in comparison with OECD countries, but also with respect to other Latin American countries.⁵

After the pandemic, poverty increased from 35.7 percent to 42.4 percent, a setback of more than a decade. Inequality, measured by the Gini index, continued an upward trend that began in 2017, but in a more pronounced way. According to the National Statistical Office (DANE), the

1 Temblores ONG (NGO Tremors), Indepaz and PAIS Report to IACHR, https://4ed5c6d6-a3c0-4a68-8191-92ab5d1ca365.filesusr.com/ugd/7bbd97_3ff4e9c4b0f14b3e-a288049e2985d0e2.pdf

2 https://www.oas.org/es/cidh/informes/pdfs/ObservacionesVisita_CIDH_Colombia_SPA.pdf

3 Initiative for Human Rights Principles in Fiscal Policy, Organizations in Latin America Call on the Colombian Government to Put an End to Violence Against Protestors, <https://www.cesr.org/colombiacall>

4 World Inequality Database, <https://wid.world/country/colombia/>

5 CESR et al., Colombia: Fiscal Policy, Peace and Human Rights, 2018, <https://www.cesr.org/sites/default/files/Colombia-Factsheet-English.pdf>

income of the poorest 20 percent in some of the main cities, such as Bogotá, Bucaramanga or Cali, fell by more than 50 percent in one year.⁶ Cash transfer programmes, previously celebrated as a great achievement of social policy, could barely contain the increase in poverty by 2.6 percentage points. This means they only managed to reduce the poverty rate from 44.6 percent to 42 percent.⁷ The cash transfer that the government created in response to the pandemic (*Ingreso Solidario*) provided US\$ 55 per household, an amount well below the monthly poverty line and one of the lowest in comparison with similar programmes in the region.⁸

The social crisis goes far beyond income losses and has disproportionately impacted marginalized populations. Maternal mortality returned to the levels of 2011. In the coastal cities of Cartagena and Barranquilla, only 3 of every 10 people can put food on the table three times a day. Colombia wastes the talent of more than 3 million young people between the ages of 14 and 28 who nei-

ther study nor work due to lack of opportunities, with women being the most affected: 4 out of 10 young women do not find work or study opportunities. Among the elderly, only 1 in 3 manage to retire due to the lack of adequate forms of social protection.

Despite the fact that debt burdens and fiscal deficits have increased in response to the pandemic, Colombia needs greater – and sustained – public spending to be able to implement redistributive social policies in order to tackle inequalities and address social unrest. Social policy must move towards the universal fulfillment of social rights by providing affordable key social goods and services such as public healthcare and education. The economy must overcome systemic fragility derived from a model dependent on extractive industries and move towards an industrial policy to boost local and diversified economies, including the promotion of agriculture, biodiversity and forest protection, and the provision of public care services.

As opposed to the government's announcements of a fiscal austerity programme in the new tax reform proposal, what the country needs is to strengthen public coffers. Implementing a progressive tax reform, which prioritizes taxes on wealth and high earners should be the way forward to secure a transition towards an economy that puts people and the care of the commons first, without exacerbating social tensions. This way, perhaps, paraphrasing the

Colombian Nobel Prize winner Gabriel García Márquez, the lineages condemned to one hundred years of solitude might have a second opportunity on earth.

6 Caracterización pobreza monetaria y resultados clases sociales, 2020, https://www.dane.gov.co/files/investigaciones/condiciones_vida/pobreza/2020/Presentacion-pobreza-monetaria-caracterizacion-clases-sociales-2020.pdf

7 Based on estimations made by the National Planning Department. See DANE, Pobreza Monetaria en Colombia, p. 4, https://www.dane.gov.co/files/investigaciones/condiciones_vida/pobreza/2020/Presentacion-pobreza-monetaria_2020.pdf

8 ECLAC, El desafío social en tiempos del COVID-19, p. 11, 2020.

Debt is the main obstacle: Argentina

In Argentina, the social impact of the COVID-19 pandemic met the already devastating impact of the external debt crisis, increasing poverty, unemployment and structural inequalities. Over one third of households and 44 percent of people were living under the poverty line by the end of 2020, according to the Social Watch report by Agustina Carpio and Hernán Medina. “And the numbers would be much worse if it wasn’t for a strong set of governmental assistance measures put in place,” they add. By September 2020 Argentina re-negotiated most of a then pending debt of US\$ 324 billion, around 90 percent of its annual income. Yet a debt of US\$ 52 billion with the IMF is still to be negotiated. Beyond this, the COVID-19 pandemic has made the urgent need for structural changes more visible, for instance in the national care system of Argentina (see Special Contribution 2.4).

Time for feminist transformative policies: Towards a national care system in Argentina

BY CORINA RODRÍGUEZ ENRÍQUEZ, DAWN

The COVID-19 pandemic has eloquently exposed the urgent need for structural changes in order to start to dismantle the basic knots that reproduce inequality. It also has made it clear that public policies are crucial, and that States have the capacity to implement them, as they did in the recent emergency context.

The current crisis also highlighted the centrality of care in sustaining life. From specialized healthcare to unpaid care work at home, intensified to the maximum in contexts of confinement, the pandemic has made visible both the systemic role of care and the unjust way in which the need for it is currently socially addressed.

In this context and going forward, this situation may consolidate, with increased ‘family-ization’ as public provision weakens, or, on the contrary, the pandemic may open up the opportunity to develop integrated care systems centered on public services that

promote social co-responsibility in care.¹

Argentina, with the advances that are taking place there towards the building of a national care system, offers an interesting example in this regard. This process was not born out of the emergency, as it is the result of years of work on this agenda from academia, civil society, the women’s and feminist movements, and public policy spaces. However, it has been boosted by the situation that led, among other things, to the visibility of the centrality and essentiality of care.

It is with the adoption of a new management structure of the national government, almost coinciding with the beginning of the pandemic, that the project of the construction of an integrated

federal care system begins to take shape. The starting point is the creation of the Ministry of Women, Gender and Diversity, which puts the mechanism for the advancement of women at its highest level of institutional status in history. The care agenda is given priority within the Ministry, with the creation of a National Division for Care Policies under the Secretariat for Equality Policies.

Understanding from the outset that building a care system implies an enormous institutional challenge, given the variety of agencies that would be involved in the provision of care services, in the regulation of the dimensions of care and in its articulation with other benefits within the social protection system, the Ministry set up an Inter-ministerial Commission on Care, bringing together 14 agencies of the National Executive Branch to debate and plan policies that contribute to transforming the social organization of care.

Although its function is not only to lay the foundations for future institutional articulation in the framework of a federal

1 M. Llaveneras Blanco and M. G. Cuervo, La pandemia como portal: transformaciones de política que disputan la nueva normalidad, DAWN, February 2021, https://dawnnet.org/wp-content/uploads/2021/04/La-pandemia-como-portal_transformaciones-de-pol%C3%81ticas-que-disputan-la-nueva-normalidad_DAWN-Discussion-Paper-32_Spanish.pdf

care system (for example, it has been key to articulating emergency policies related to care in the framework of the COVID-19 health emergency), it is important to highlight that one of its first results has been the elaboration of a document that seeks to establish “conceptual and operational agreements for the construction of a common language, a framework of meaning and a context of articulation” to guide the work of the commission in order to “redis-tribute and recognize care as a need, as labour and as a right”.²

Another advance in this area is the development of a federal mapping of care, the essential functions of which will include: i) systematizing information on the demand and supply of care, which will make it possible to build a picture of the situation and to identify gaps in coverage; ii) creating the basis of an information management system that will make it possible to monitor the scope and development of interventions. Open access to the first product of federal care mapping – a map of the current supply of care services for children, older persons and persons with disabilities, as well as of sources of care training – has just been launched.³

2 Hablemos de cuidado. Nociones básicas hacia una política integral de cuidados con perspectiva de género, <https://www.argentina.gob.ar/sites/default/files/mesa-interministerial-de-politicas-de-cuidado3.pdf>

3 See: <https://mapafederaldelcuidado.mingeneros.gob.ar>

The other link in this process is the Commission for Drafting a Bill for an Integrated Care System with a Gender Perspective, created in October 2020. This commission brought together a number of experts in the field to propose a law that would provide a regulatory framework for a future integrated federal care system, establish its guiding principles, its components, its governance, the priority population it will seek to serve, the benefits it should include, the providers and the financing mechanisms that should guarantee its operation.

Finally, the last central component of this process is the Care in Equality (Cuidar en Igualdad) National Campaign, which has two central objectives: i) to recover existing conceptualizations, knowledge, know-how and practices in relation to care, in order to identify priorities that can inform the formulation of public policy on care; and ii) to promote federal awareness of care practices and policies, from a comprehensive, federal and gender equality approach, promoting greater awareness and collective co-responsibility for the right to care and to receive care.⁴

The main line of action of this campaign is the territorial care parliaments (parlamentos territoriales de cuidado), which are “spaces of confluence and

4 <https://www.argentina.gob.ar/sites/default/files/campananacionalcuidarenigualdad.pdf>

dialogue of multi-stakeholder logics in the territories of a community, institutional-state, academic and cultural nature” from the exchange of which it is hoped to “generate collective consensus levels that will nourish the public care agenda”. While seeking to raise awareness on the issue, these spaces allow us to learn about the specific demands of care, the conditions in which they are built, the relevant actors and both the consensus and the tensions that may arise when it comes to moving forward with the implementation or expansion of specific policies.

Territorial care parliaments appear as a novel option with great transformative potential, as they enable a participatory process in the definition of priorities and the best way to address them. These parliaments are part of a process that includes two previous stages. In the first stage, a round of presentation of the problems and objectives of the parliaments is carried out at the provincial level. The second stage consists of internal rounds of exchange and reflection and the set-up of multisectoral provincial teams, which are responsible for convening the areas and sectors involved in the social organization of care in each province. The parliaments then take place, followed by a stage of summarizing the experience and the main conclusions and agreements, which are then internalized in the design of the policies themselves.

The meetings are attended by social organizations and institutions that provide care for children, infants and adolescents, the health and education sectors, the elderly and people with disabilities, community care networks of various kinds, feminist associations, provincial and municipal government departments, trade unions and business organizations linked to the different care sectors and also representatives of national bodies in each province. The conversations centre around two questions: How do we care today? How do we want to care and be cared for tomorrow?

The parliaments held so far have made it possible to confirm, with regard to the first question, the normalization of domestic and care work as something that women do, underlining, in this respect, the importance of making diversity visible in the unpaid work domain. It was also made it clear that if women and LGBTI+ people do not do this work, no one else will.

In relation to the second question, it is interesting to note that the need to recognize care as labour, as well as a professional activity was often mentioned. This recognition goes hand in hand with the persistence of social mandates in relation to the preference of caring –and being cared for--at home, particularly in relation to the elderly, which could be an obstacle to public policies that seek to ‘defamily-ize’ care for this population.

A feature that also appears strong in this participatory process of qualifying the current organization of care and imagining care in the future is the space given to community-based care arrangements. This type of care strategy acquired special relevance and visibility in the context of the pandemic and confinement, showing how, in the absence or weakness of public care provision, it is the organized community that resolves day-to-day survival.

This opens up a particularly transformative space if an effective articulation between public policy and community-based care arrangements takes place, in a respectful and non-colonizing way. For example, the State could support such efforts with infrastructure, inputs and even remuneration for care work, while respecting the care arrangement chosen by the community itself.

It is worth highlighting some aspects of the process described above that make it attractive from a transformative perspective. On the one hand, the attempt to consolidate a feminist perspective on care from within the spheres of public policy management, as evidenced by the consensus that care is work, but also a necessity and a right. On the other hand, the advance of an articulated strategy, which operates by integrating different government actors, in order to institutionally address the complexity of care. Also significant is the effort to integrate public policy spaces with civil society, trade unions,

social movements and territorial representatives.

This auspicious process is not without its challenges. One of them is to ensure its continuity, beyond the ups and downs that may occur in the political orientation of the party in government. This will require the consolidation of a regulatory framework with the force of law and a governance structure that can be put into action in the short term. Another major challenge, particularly when expanding the existing public care provision or with the creation of new public care services, is the issue of financing. This requires linking this process to an equally necessary process of expanding public resources within a framework of tax justice.

Finally, as this is a transformation that calls into question traditional arrangements and deeply rooted family-based social values, resistance from conservative sectors is to be expected. Support from the women’s movement for the feminists who are taking responsibilities in the policy arena to ensure this process, the strengthening of social demand for these changes as well as citizen monitoring to ensure that they occur in the desired direction will be essential if this process is not to be a post-pandemic springtime, but rather a founding element of a systemic transformation.

Vulnerabilities and policy priorities for South Africa's COVID-19 third wave

BY INSTITUTE FOR ECONOMIC JUSTICE (IEJ)

South Africa entered a third wave of COVID-19 infections in June 2021.¹ Many people are still left reeling from the first and second waves, and their associated lockdowns, which saw thousands of people losing not only their loved ones, but also their incomes and livelihoods. As this third wave progresses economic activity is expected to contract, with likely fallout for workers, businesses, and communities. In 2020, South Africa's economy contracted by 7 percent. Despite positive growth in the first quarter of 2021, the economy remains smaller than its pre-COVID levels and continues to shed jobs as the unemployment rate reached a record high of 32.6 percent – 43.2 percent under the expanded definition – and continued to increase in the second quarter to 34.4 percent and 44.4 percent respectively - the highest since the inception of the Quarterly Labour Force Survey

(QLFS).² Investment, measured by “Gross Fixed Capital Formation”, which seemed to increase in the last two quarters of 2020 (Q3 and Q4) - albeit still below its previous levels - is declining yet again in Q1 2021.

Despite the loosening of restrictions in 2021, South Africans are still living under immense hardship as lockdowns form only one part of the broader negative economic impact of the pandemic.³ According to ongoing tracking of national income and the coronavirus (NIDS-CRAM Wave 4) data, 39 percent of households ran out of money to buy food in January 2021 and 17 percent of households experienced weekly household

hunger.⁴ Without adequate and speedy support, there is a significant risk that people, especially children, will suffer severe long-term consequences.

The Institute for Economic Justice (IEJ) has previously warned that there can be no recovery without rescue. In April 2020, President Cyril Ramaphosa announced South Africa's R500 billion (US\$ 1.05 billion) rescue package aimed at supporting workers, businesses and households through the pandemic.⁵ This programme saw numerous problems in implementation, but as of February 2021 only one-third of that R500 billion had

1 National Institute for Communicable Diseases, Latest Confirmed Cases of Covid-19 in South Africa, 10 June 2021, <https://www.nicd.ac.za/latest-confirmed-cases-of-covid-19-in-south-africa-10-june-2021/>

2 Stats SA, Quarterly Labour Force Survey, Quarter 2: 2021, <http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2021.pdf>; <http://www.statssa.gov.za/publications/P0211/Media%20release%20QLFS%20Q1%202021.pdf>

3 Bhorat Kohler and Stanwiz Hill, COVID-19 and the Labour Market: Estimating employment effects of South Africa's national lockdown. DRPU Working Paper 202107, 2021, http://www.dpru.uct.ac.za/sites/default/files/image_tool/images/36/Publications/Working_Papers/DPRU%20WP202107.pdf

4 National Income Dynamics Study-Coronavirus Rapid Mobile Survey (NIDS-CRAM) Wave 4, Synthesis Report, 2021, <https://cramsury.org/wp-content/uploads/2021/05/1.-Spaull-N.-Daniels-R.-C-et-al.-2021-NIDS-CRAM-Wave-4-Synthesis-Report..pdf>

5 IEJ, South Africa's COVID-19 Rescue Package Scorecard. COVID-19 Factsheet #2, 2020, <https://www.iej.org.za/wp-content/uploads/2020/08/IEJ-COVID-19-fact-sheet-2-%E2%80%93-rescue-scorecard-1.pdf>

materialized.⁶ This has meant that many did not receive much-needed relief, including workers, small businesses, the informal sector and women who have been disproportionately affected by lockdown measures to curb the spread of the pandemic.

While the need for policies to spur economic recovery is undisputed, the IEJ re-emphasizes the need for ongoing and expanded rescue measures during these times of crisis, especially in light of the pandemic's third wave. International evidence has shown that governments have renewed and expanded their rescue packages to support workers and businesses as the crisis continues. For instance, the Australian government announced a new package for the tourism sector valued at US\$ 928 million in addition to the measures it had extended to the sector in January 2020.⁷ On the other hand, Germany extended its "short-time work" furlough programme, which compensates workers for lost earnings caused by temporarily being

put on reduced working hours, until December 2021.⁸ Evidence collected in the last year has provided us with a clearer picture of how vulnerabilities have been distributed. We now know more about how different sectors, demographics, and geographies have suffered (or even in some cases benefitted). This allows for a more targeted, equitable and efficiently distributed allocation of resources, to ensure that those most vulnerable are those receiving the most support.

Vulnerabilities in the third wave

In a recent Policy Brief⁹ that surveyed the vulnerabilities of the South African economy in the first quarter of 2021, the IEJ found:

- **Employment in construction, manufacturing, wholesale and retail and private households** was particularly hard hit.
- **Within manufacturing**, sub-sectors linked to construction activities; textiles, particularly footwear; and chemicals and plastics continue to struggle.
- **Tourism and hospitality linked services**, most within wholesale

and retail, and transportation, struggled to recover from lockdown restrictions.

- **Already vulnerable workers**, seen through lack of Unemployment Insurance Fund (UIF) registration or contracts, were much more likely to lose their jobs.
- **Informal economy workers and businesses** suffered disproportionately.
- **Small-scale farmers** continue to struggle to re-establish levels of production and sales.
- **Women** were harder hit and have battled to regain employment and income, while suffering increased hunger and gender-based violence.
- **Unpaid care work** has increased for women, particularly due to closure of schools, school feeding schemes, and early childhood development centres.
- **Hunger** has risen greatly, including for children.

We now know that Level 3 restrictions will further contract economic activity, with particularly dire consequences for the tourism and hospitality sectors and informal sector workers. The vulnerabilities highlighted here clearly show that a substantive rescue package, which prioritizes

6 B. Sibeko, J. Taylor and K. Lehmann-Grube, Covid-19 package: Relief and rescue are the foundations of economic recovery, 2021, <https://www.dailymaverick.co.za/article/2021-02-10-covid-19-package-relief-and-rescue-are-the-foundations-of-economic-recovery/>

7 Colin Packham and Jamie Freed, Australia unveils \$928 million COVID-19 stimulus package for the tourism industry, Reuters, 2021, <https://www.reuters.com/article/us-health-coronavirus-australia/australia-unveils-928-million-covid-19-stimulus-package-for-tourism-industry-idUSKBN2B301G>

8 Germany Trade & Investment Guide, Germany Extends Successful Coronavirus Short-Time Work Scheme, <https://www.gtai.de/gtai-en/invest/investment-guide/short-time-work-scheme-550172>

9 IEJ, Vulnerabilities and Policy Priorities for South Africa's COVID-19 Third Wave, 2021, <https://www.iej.org.za/vulnerabilities-and-policy-priorities-for-south-africas-covid-19-third-wave/>

the most vulnerable, is required.¹⁰

Summary of recommendations

The pandemic has been catastrophic across the South African economy, albeit with heterogeneous impacts on different sectors and communities. The vulnerabilities outlined in this brief reinforce the need for ongoing and expanded rescue during these times of crisis, especially in light of the pandemic's third wave. Internationally, COVID-19 responses by governments have been renewed, expanded, and targeted as the pandemic has persisted.¹¹ In line with international responses, South Africa needs more targeted policies to help households, workers, and businesses to address existing vulnerabilities. The following policy recommendations should be considered.

1. Support businesses to stay open in the short term despite the loss of business activity by: replacing the Loan Guarantee Scheme with grant and heavily subsidised credit; a six-month

moratorium on bankruptcy claims; and a six-month sector-targeted tax deferral programme.

2. Maintain employment through wage support and employment regulation by: extending and improving Temporary Employers/Employee Relief Scheme (TERS) benefits; more equally sharing the loss of income amongst workers; and allowing for greater short-time work.

3. Extend sector-specific support plans to resuscitate sectors that have been particularly hard hit by the pandemic by: leveraging development finance institutions (DFIs) for special subsidized development financing; extending further relief funds to smallholder farmers and the tourism and hospitality sector; increasing public investment in the manufacturing sector and green initiatives; and increasing relief to Early Childhood Development (ECD) centres.

4. Protect workers' health by democratizing workplaces through: identifying workers with health risks and prioritizing their safety; recognizing COVID-19 as an occupational disease enabling greater social protections and entitlements; ensuring implementation of COVID-19 protocols through joint monitoring by workers/union and employers; allowing workers' to refuse to work if health and safety standards are not being respected; and

ensuring workers requiring COVID-19 testing access those publicly or privately.

5. Boost construction-sector employment and public infrastructure through: increasing levels of public infrastructure spend targeted at bolstering essential services and supporting hard-hit economic sectors; increasing funding to the Presidential Employment Stimulus (PES); and mobilizing DFI resources to raise public and private investment.

6. Increase support for the informal sector through: extending direct cash transfers targeting women and informal workers, especially where the Unemployment Insurance Fund/ Temporary Employers/ Employee Relief Sch (UIF/TERS) is unable to reach; reforming current business grant criteria to allow greater access; improving coordination and communication between informal workers, local municipalities, and CSOs; and intensifying efforts to improve access for informal sector workers to TERS.

7. Offer more significant support to workers who have lost employment by: allowing informal or self-employed workers to register for UIF; developing new vocational skills training programmes to upskill those most at risk of dismissal and those who are temporarily unemployed; utilizing the PES to employ workers who have

¹⁰ The National Treasury introduced a relief package in July 2021, which, however is substantively less than what the IEJ estimated is needed to address the crisis. See: <https://www.youtube.com/watch?v=qIbZcd7qhPo>.

¹¹ The brief mainly draws on International Responses to COVID-19 from the ILO COVID-19 Country Policy Tracker, the World Bank Tracker of Industry Support Measures and the IMF Policy Tracker. Any reference to country-specific international examples uses one of these trackers, unless otherwise stated.

lost their jobs in activities connected with that sector; increasing funding to the Commission for Conciliation, Mediation and Arbitration (CCMA); and incentivizing businesses to bring back furloughed or retrenched workers.

8. Improve care support

infrastructure by: ensuring that in the event of another hard lockdown or lockdown regulations that lead to school closures, government and businesses should provide child-care services for individuals that can continue to work.

9. Sustain livelihoods through urgently extending and improving social relief measures

by: reinstating the Social Relief of Distress (SRD) grant at, at least, R585 per month and expanding the grant to include all care-givers until a Universal Basic Income Guarantee is implemented and providing food vouchers targeted at households that are not recipients of other support.

10. Improve support for women, children, and frontline workers

through: the full reimplementation of the school feeding programme; targeted programmes and facilities, including those run by CSOs, to confront gender-based violence and femicide (GBV-F); increased speed and scope of the vaccine roll out for essential workers, including informal workers; and increased psychosocial support to frontline workers.

3

**Time for transformative
policies at all levels**

Time for transformative policies at all levels

Policy responses to the COVID-19 pandemic and resulting economic crisis to date have exacerbated rather than reduced global inequalities. The fact that since the outbreak of the pandemic, on the one hand, the wealth of billionaires have risen to record levels, and on the other hand, the number of people living in extreme poverty and hunger has also increased massively, shows that something is fundamentally wrong in the world.

In response to the disastrous effects of the crisis, especially in the poorest countries, there was much talk of solidarity with regard to health support, including access to vaccines. But the brutal competition for vaccines shows that solidarity is used by many politicians merely as a rhetorical phrase. By the end of August 2021, more than 60 percent of the people in high-income countries had received at least one dose of COVID-19 vaccine, but less than 2 percent have done so in low-income countries. In view of this dramatic disparity, the slogan “leave no one behind” of the 2030 Agenda for Sustainable Development remains purely lip service.

In fact, vested economic interests continue to dominate political decision-making. Deepening inequalities are a result of self-serving and hypocritical policies and governance failures at national and international level. Thus, given the urgency of the COVID-19 crisis and the other unresolved global problems, most notably the climate crisis, it is high time for transformative policies, strategies and structural changes (as we have described them in the Spotlight Reports since 2016).

As an immediate response to the global health crisis, the People’s Vaccine Alliance – comprised of health and humanitarian organizations, health experts, economists, faith-based groups and world leaders, past and present – has formulated “5 steps to end ‘vaccine apartheid’” (see Box). These are in line with the demands derived from the analyses in this Spotlight Report. But beyond responding to the health crisis, far more fundamental transformational steps are needed in order to bring about a more equal and just world. Such steps are needed to enable a comprehensive response to all global crises, now and in the future – starting with the climate emergency. Examples of such steps, both nationally and globally, are described in the following contributions.

An essential aspect of an agenda for change is the shift toward a rights-based economy and a concept of human rights that forms the basis of our vision of economic justice (see contribution by Kate Donald, Center for Economic and Social Rights).

To implement this concept, the trend of privatizing, outsourcing and downsizing of public services must be reversed. The aim must be to reclaim and invest in public goods and services and to ensure that they benefit all people (see contribution by Daria Cibrario, Public Services International).

A basic precondition for the adequate provision of public goods and services is that States have sufficient resources to fulfill their human rights obligations (including their extraterritorial obligations). To prevent the COVID-19 pandemic being followed by a global debt and austerity pandemic, governments

must be enabled to expand their fiscal space and to implement alternatives to neoliberal austerity policies (see contribution by Isabel Ortiz, Global Social Justice, and Matthew Cummins, consultant).

Only if the world collectively embarks on this path toward transformational policies is there a chance to reduce global inequalities, protect our shared planet and make the proclaimed solidarity a political and institutional reality.

5 steps to end ‘vaccine apartheid’

Demands of the People’s Vaccine Alliance¹

Raise the ambition to vaccinate 60% of the planet. We are not going to end this pandemic by vaccinating fewer than 30% of the world’s population in the next six months. World leaders must aim higher and create a clear roadmap of how to get there. Make sure to base this roadmap on a solid manufacturing and distribution plan for all COVID-19 products and technologies. This process should be funded with fair share financing from rich nations, and fair allocation of doses.

Break the shackles of intellectual property on vaccines and COVID-19 knowledge. This will allow every nation to produce or buy vaccine doses at affordable rates. All Government leaders must support the WTO proposal by India and South Africa to temporarily

waive intellectual property on Covid-19 vaccines, treatments and related technologies. They must also force pharmaceutical companies to share their COVID-19-related technology and know-how through the World Health Organization’s COVID-19 Technology Access Pool.

Make an immediate and large investment of public money into manufacturing more vaccine doses around the world. We need to see a clear plan to fund the huge increase in manufacturing of vaccines that is needed. We need to build a global distributed network to deliver these doses as global public goods to all nations. We have seen a clear failure of the market alone in ensuring enough vaccines. Therefore, governments should keep sufficient ownership of these new facilities, and work with the WHO to make sure they serve public interests first.

Provide COVID-19 vaccines, treatments and tests free of charge. To everyone, everywhere, allocated according to need. Prioritize frontline workers, people at higher risk, and resource-poor countries least able to save the lives of those infected with the virus. Marginalized groups should be part of these programmes. This includes refugees, prisoners, people with disabilities, and indigenous populations.

Scale up global financial support for upgrading and expanding public health systems. We can use the experience of the pandemic to create resilient, universal and equitable health systems around the world. These services should be free at the point of use, with all user fees eliminated. Universal Health Coverage is the global public good needed to respond not only to emergencies but also to protect and save lives every day.

¹ <https://peoplesvaccine.org/our-demands/>

I A rights-based economy: In critical times, a roadmap for action

BY KATE DONALD, CENTER FOR ECONOMIC AND SOCIAL RIGHTS (CESR)

We will not recover from this crisis by reviving “build back better”, but by transforming our broken system for good. A rights-based economy offers a blueprint for change.

Choosing between protecting people or the economy has become a persistent theme in political debates as the world grapples with the COVID-19 pandemic. Countless leaders justified relaxing public health measures by claiming that putting people’s lives at risk was necessary to “save the economy”. Politicians in the UK rejected a free school meals plan because it would “destroy” the economy and increase “dependency”. The South African President cited “fiscal challenges” as “dictating” the government’s inability to extend its COVID-19 income support grant. The Colombian Vice-President rejected the idea that any State could afford to cover people’s basic needs. Many governments still refuse to waive intellectual property rights on vaccines, despite the countless lives this would save, because they say it would undermine corporate trust in the ‘system’ and supposedly stop pharma companies from investing in developing new medicines and treatments (see Box 1.2).¹

These false ‘people vs the economy’ dichotomies overlook a fundamental truth: people *are* the economy. There is no healthy economy without a healthy population where everyone can enjoy their socio-economic rights – such as to housing, food, education and decent work. They also shine a spotlight on the fundamental injustice at the core of our current economic model – a model that results in scarcity and

precarity for the many, and unimaginable wealth and privilege for the few.

Across countries, movements and worldviews, people are clamouring to rethink how our economies should function and who they should serve. Our version of this is to ask a seemingly radical question: What would it look like if we had an economy based on human rights?

Human rights and the economy have not traditionally been spoken about in the same sentence. Slowly, this is changing. More and more voices – including social movements and progressive politicians² – are making these links. Increasingly, those in the human rights movement – from UN experts to grassroots organizations – are starting to interrogate economic systems and policies. Undoubtedly, the neoliberal economic system that has calcified over the last 40 years has wrought incalculable damage on the rights of millions. Even before the COVID-19 pandemic, hunger was on the rise, the gap between the rich and the poor had escalated to unprecedented extremes, and millions were living in abject poverty. It’s increasingly clear that the enjoyment of human rights cannot be insulated from the economy.

¹ <https://twn.my/title2/wto.info/2021/ti210806.htm>

² See for instance <https://weall.org/wego>

But even now, human rights organizations tend to focus on the downstream effects of bad policies decided in restricted decision-making spaces where economic orthodoxies dominate. Very rarely are rights used to build a positive, concrete vision for how to shape those policies upstream.

The rights-based economy concept decisively breaks that mold. We define a rights-based economy as one that would **guarantee the material, social and environmental conditions necessary for all people to live with dignity on a flourishing planet.**³ This idea challenges the notion that human rights are irrevocably individualistic, that they are neutral on how resources should be redistributed, that they do not have radical potential. In doing so, it builds a vision for how a progressive understanding of human rights can illuminate economic policy choices.

Human rights, we believe, enrich our vision of economic justice. They provide a widely agreed framework of **ethical values** that should underpin our economies; values such as dignity, solidarity and equity. Human rights also **create legal obligations** that governments and other powerful actors must comply with. Recognizing that public goods such as health, water and education are rights means recognizing that they are so essential for human dignity and well-being that access to them must be guaranteed to all; it cannot be left to the whims of the market or to the total discretion of decision-makers. Ensuring that all people can enjoy their human rights on an equal footing demands action to redistribute resources, remedy inequalities and rebalance power. This directly challenges the logic of neoliberalism, giving primacy to people's human rights, as internationally recognized, over the spurious 'rights' of investors and corporations.

Human rights also give us a **holistic picture of well-being**. The human rights framework,⁴ and the Universal Declaration of Human Rights which is its cornerstone, contains a broad spectrum of rights: civil, cultural, economic, environmental, political and social. Many actors interpret human rights narrowly, as being mainly about civil liberties. But as the Declaration makes unequivocally clear, they are far more holistic than that. Rethinking our economies on the basis of the full range of rights – from the right to a fair trial to the right to be free from hunger and the right to enjoy the benefits of scientific progress – helps to overcome stale ideological debates over whether 'civil liberties' or 'development' (both narrowly defined) should be prioritized by governments. All rights are explicitly understood as interrelated and indivisible – the right to health is just as non-negotiable as the right to freedom of expression – and indeed, they depend on each other. This reflects a much more compelling and accurate vision of our intertwined lives, societies and economies.

That said, the rights-based economy (RBE) is not intended to replace or override other compelling visions of alternative economies. In constructing this vision, we draw on other mutually enriching conceptions, including *buen vivir*, solidarity economies and feminist economies. The RBE is intended to include and make space for these visions to flourish; to crowd them in, not crowd them out.

Of course, **concrete policies** – designed and implemented with human rights considerations at the forefront – will provide decisive steps on this journey towards a rights-based economy. These include the robust taxation of wealth; universal and comprehensive social protection systems; upholding labour rights; reclaiming public services; and reforming and regulating corporations. But it is equally vital to pursue more **seismic shifts** in how power is vested and what we produce, distribute, consume and

3 CESR and Christian Aid, A Rights-Based Economy: putting people and planet first, 2020, <https://cesr.org/rights-based-economy-putting-people-and-planet-first> (available in English, French, Spanish and Arabic)

4 Meaning the rights and obligations outlined in international human rights law and elucidated through jurisprudence and interpretation of human rights monitoring bodies. For the core international human rights treaties that detail and give binding force to the provisions of the UDHR, see Office of the High Commissioner for Human Rights, Core International Human Rights Instruments.

value. For example: care must be recognized as the fulcrum of our societies and economies and valued and supported as such. Corporations would be required to prioritize the interests of their workers and the health of the planet above lining the pockets of their shareholders. Respect for planetary boundaries should guide all economic decision-making and decisive action taken to prevent further climate catastrophe.

A shift to an RBE also requires democratizing and decolonizing economic decision-making at all levels, especially given that COVID-19 has highlighted the need to renew multilateralism from the ground up. A massive transformation in **global economic governance** is a fundamental piece of this puzzle. In the RBE, the purpose of global economic governance is to realize the Universal Declaration of Human Rights' vision of a social and international order in which everyone can fully realize their rights. Such an order must be premised on a permanent reduction of economic inequality and greater convergence in rights enjoyment between and within countries. It requires international institutions of economic governance that acknowledge and abide by their human rights responsibilities, rather than acting as clubs for the rich.

Additionally, human rights treaties commit States to guaranteeing the rights of people in their own country as well as people abroad affected by their conduct. Government obligations that cross borders are known as extraterritorial obligations (ETOs).⁵ These ETOs require the removal of economic barriers to socio-economic rights realization in low- and middle-income countries, along with cooperation instead of competition to ensure that collective problems (e.g., climate change, illicit financial flows or pandemics) are dealt with in an effective, coordinated and equitable manner. They also require the construction of a truly democratic global governance system which ensures that all countries can participate on an equal footing in the most important

economic decisions at global level, while tackling the legacy of colonialism and neo-colonialism. So, wealthier countries would refrain from impeding socio-economic rights realization in low- and middle-income countries, including by cancelling debt and by cooperating, not competing, in response to collective problems such as climate change, pandemics and illicit financial flows.

A crucial part of the pathway towards an RBE is **narrative change**. Over the last three decades, proponents of the neoliberal system may not have won the evidence war (it's been demonstrated time and again that higher tax rates don't lead to capital flight, that wealth does not 'trickle down', that 'working hard' isn't enough to lift marginalized people out of poverty), but they have won the narrative battle. Many people have been convinced that taxing the rich is dangerously radical, or that deficit spending is inherently risky or irresponsible. For a long time, the story we've heard is that the best way to guarantee everyone's right to live with dignity is to prioritize economic growth. Market efficiency will ensure that resources 'trickle down' to those in need, we're told. **This has given governments, corporations, and international financial institutions a free pass to essentially make economic policy decisions a 'rights-free zone'.**

There's overwhelming evidence that this story is fiction. **Despite near-constant growth in recent decades, roughly half of humanity are still living in poverty** (scraping by on less than US\$ 5.50 a day). At the same time, the 10 wealthiest people in the United States collectively own US\$ 853 billion— enough to end extreme poverty several times over. Global hunger has been rising rather than falling in recent years: 9 percent of the world's population were classified as undernourished in 2019, while the number of people suffering from acute hunger is estimated to have doubled since then. Racism, sexism and other forms of discrimination still run rampant and are starkly reflected in the disparate impacts of the COVID-19 pandemic, as well as in disparities of income and wealth. Meanwhile, we are careening towards climate catastrophe.

⁵ See CESR, Governments' Obligation to Cooperate Internationally to Realize Human Rights. Recovering Rights Series, No 3, 2020, www.cesr.org/sites/default/files/Issue%20Brief%202_-.pdf

But there's another story we can tell. The resources we need do exist; they are just concentrated in the hands of the privileged few. Inequality is a choice, not an inevitability. Healthcare, education, clean water, a roof over your head - these things are rights to be guaranteed to all, not a privilege or a commodity. So, those with power over economic policy have to consider – and be held accountable for – how their decisions could help or hinder people from lower income groups and countries enjoying their rights, equally. Transforming our economic system to put rights at the centre means changing the daily lives of millions of people. People who now lose everything when faced with a medical emergency wouldn't have to, because healthcare access would be guaranteed. No person would fear destitution because they take time out of the labour force to care for a loved one, because they would be supported by a robust social protection system. No young person would be forced to skip school during their menstrual period, because their school lacks running water and they can't afford sanitary products.

Placing human dignity and human rights at the centre of our economies may seem far-fetched to some. But COVID-19 has made manifest a simple fact obscured over decades of the neoliberal system: people are the economy. The economy is fundamentally relational – it is made up of our different interactions with other people every day.⁶ The economy and the market are not outside of wider society and its norms and values, but part of the same fabric. But reclaiming the economy requires a dismantling of the systems, structures and narratives which have been built up over decades to divert and distort economic value and financial power to private ends. It requires us to fight private power and build public power as a counter-balance. Understood comprehensively, human rights standards, principles and values can help us to achieve this. We can transform our economies to put human dignity and flourishing at their centre. Moreover, human rights can not only inform this new vision of economic justice, but also guide us on our path to achieving it.

⁶ See Groundwork Collaborative, <https://groundworkcollaborative.org/resource/we-are-the-economy/>



Now is the time to reclaim public services

BY DARIA CIBRARIO, PUBLIC SERVICES INTERNATIONAL (PSI)

The COVID-19 pandemic has shaken the foundations of our socio-economic systems and revealed and magnified the deep inequalities they create. It has also raised awareness about the central role public services can and must play: saving lives; keeping the socio-economic fabric of humanity together; protecting the environment; enabling the attainment of human rights.

What COVID-19 has taught us about public services

With COVID-19, the damage done by decades of underfunding, cutting, and privatizing vital public services¹ materialized into the unsustainable images of saturated intensive care and emergency units; health and support staff overworked to exhaustion, lacking personal protective equipment (PPE) and other essential supplies; and countless coffins driven by army trucks to freshly dug graves.

The pandemic revealed the lack of preparedness and the injustice intrinsic to privatized, outsourced, commodified public services: access is overwhelmingly narrowed to those who can afford to pay, leaving most of the world's population vulnerable –

affected by mass job losses from national lockdowns.² Suddenly, the societal and economic value of public health and care services, water, sanitation, refuse collection, electricity, transport, housing as well as social safety nets has become self-evident; just as has the interdependency and complementarity among different public services in a globally contaminated world.

The appalling conditions endured by many frontline workers – overwhelmingly women, racialized, migrant, low-skilled, outsourced in precarious contracts – have spurred widespread cries of outrage and calls for decent working conditions. Trade unions have demanded governments and employers put a halt to rhetorical ‘hero’ hailing, and to swiftly enact concrete measures to protect frontline workers; enable them to serve communities under decent working conditions; and remunerate them fairly.³ Yet many frontline service workers and their unions have had to fight for even the most basic occupational health and safety protection and priority vaccine access, such as municipal education, waste and funeral service workers of São Paulo who went on ‘strikes

1 Goyenechea Hidalgo, M., and Ruiz Bruzzone, F., “Multinacionales en América Latina. Una caracterización a partir del sector salud en Brasil, México, Colombia, Perú, Paraguay y Chile”, PSI, Nodo XXI and Vision, May 2020 https://pop-umbrella.s3.amazonaws.com/uploads/75dcc16b-c630-4740-8347-757b179791e7_psi.Nod.Lat.Baja20AG.pdf

2 Farha, L., Bohoslavskz, J. P. Heller, L., De Schutter, O., Sepulveda Carmona, M., “COVID-19 has exposed the catastrophic impact of privatising vital services”, The Guardian, 19 October 2020, <https://www.theguardian.com/society/2020/oct/19/COVID-19-19-exposed-catastrophic-impact-privatising-vital-services>

3 Pavanelli, R. “After the applause, it's time to rebuild global public services”, The Guardian, 23 June 2020, <https://www.theguardian.com/society/2020/jun/23/after-applause-time-rebuild-global-public-services-covid-19>

for life’;⁴ or education support, social services, and municipal police in Italy.⁵ Waste and funeral workers have been largely invisible and forgotten by society and policy-makers, workers who have the ungrateful - yet essential - task of safely disposing of contaminated medical waste and human remains.⁶

The pandemic has particularly exposed the injustice caused by the lack of investment in local public services, epitomized by the ‘service desertification’ affecting many territories - notably rural ones - ensured by budget cuts and ‘digital-only’ delivery choices, whereas in the global South public infrastructure and services remain insufficient and/or inaccessible.⁷ In South Africa, public healthcare services are concentrated in urban areas, whereas most women live in the countryside and cannot access or afford public transport when they need obstetric care.⁸ In Sri Lanka, where health outcomes are comparable to some European countries, the majority of people live within 5 kms of a local health centre.⁹ Territorial inequality in public service access was a key spark igniting the 2018 yellow vests

protests in France.¹⁰

Matched with the imposition by authorities of physical distancing to curb contaminations, this situation has popularized the concept of the ‘15-minute city’, preaching a (re)localization of vital public services - such as hospitals, schools, childcare facilities, parks, post offices and cultural venues - within everyone’s walking reach, also to bolster quality of living and local economies.¹¹

COVID-19 also elevated the often-overlooked role of local and regional governments as the key institutional frontline emergency first-responders and helped acknowledge the expertise and professionalism of their staff as they serve people and communities - often with very limited means - putting their own health and that of their families at stake.¹² In their joint statement over the COVID-19 crisis, global public services workers union Public Services International (PSI) and worldwide local and regional government peak association United Cities and Local Government (UCLG) called on national authorities, global policy-makers and financial institutions to “invest on a priority basis in ever stronger, quality public services with universal access to ensure a swift recovery and avoid a post COVID-19 social and

- 4 Ribeiro, E., “São Paulo’s education workers declare victory in their strike for vaccines”, PSI, 20 June 2021 <https://bit.ly/3lfaI28>; SIEMACO-SP, “Sem vacina, sem coleta! Sindicatos paralisam Limpeza Urbana de São Paulo por 24 horas”, 9 June 2021, <https://bit.ly/3yfsV0V>
- 5 GCIL FP Firenze, “Vaccino ai lavoratori dei servizi essenziali: nessuno sia escluso”, 8 February 2021, <https://www.fpcgfirenze.it/sindacato/vaccino-ai-lavoratori-dei-servizi-essenziali-nessuno-sia-escluso>
- 6 Jozwiak, G., “Clinical waste collectors – unprotected, untrained, underpaid and undervalued”, Equal Times, 5 July 2021, <https://www.equaltimes.org/clinical-waste-collectors?lang=en#YUMbHC221qv>
- 7 PSI, « Digitalization and public services: a labour perspective », 9 November 2019, p. 16, https://pop-umbrella.s3.amazonaws.com/uploads/a9ddf49f-faba-4a3f-8289-8c5c938c9541_2019%20-%20EN%20Digit%20Summary%20with%20foreword.pdf
- 8 Dr. Soma-Pillay, P. “Think Equal: women’s health, South Africa”, FIGO, 6 March 2019 <https://www.figo.org/news/think-equal-womens-health-south-africa>
- 9 Coote, A. and Yazici, E., “Universal Quality Public Services. A Policy Briefing for Trade Unions”, PSI, February 2020, p. 19, https://pop-umbrella.s3.amazonaws.com/uploads/38065e03-df0f-4299-b2d1-0d4dba72737e_EN_F.pdf

- 10 Sintès, F. « Services publics en milieu rural : une espèce en voie de disparition ? », France inter, 29 July 2019 <https://www.franceinter.fr/emissions/le-telephone-sonne/le-telephone-sonne-29-juillet-2019>; Fernandes Rodrigues L. ; Gaspar R., « Le Sénat alerte sur le recul des services publics dans les territoires », La Gazette des Communes, 11 March 2020 <https://www.lagazettedescommunes.com/667810/le-senat-alerte-sur-le-recul-des-services-publics-dans-les-territoires/>; and Burns, W. J. « America Needs a Rebirth of Public Service », The Atlantic, 4 May 2020, <https://www.theatlantic.com/ideas/archive/2020/05/america-needs-a-rebirth-of-public-service/610972/>
- 11 Whittle, N., “Welcome to the 15-minute city”, Financial Times, 17 July 2021, <https://www.ft.com/content/c1a53744-90d5-4560-9e3f-17ce06aba69a>; Yeung, P., “How ‘15-minute cities’ will change the way we socialise”, BBC, 4 January 2021, <https://www.bbc.com/worklife/article/20201214-how-15-minute-cities-will-change-the-way-we-socialise>
- 12 UN-DESA, The role of public service and public servants during the COVID-19 pandemic, Policy Brief 79, June 2020, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/PB_79.pdf

environmental catastrophe” and “ensure adequate service staffing levels, training and decent working conditions to guarantee continued public service delivery”.¹³

It is time to reclaim our public services

It has taken this global pandemic to make previously unlikely convergences possible among social justice movements, institutions, and political actors. There is a window of opportunity for a systemic shift towards state leadership in economic policy and significant public service and infrastructure investment. Without the urgency caused by the triple climate-pandemic-socio-economic crises, ‘Green New Deal’¹⁴ plans would have had little chance to pick up, and the few examples of social and environmental conditionalities attached to State aid for private companies would have likely remained wishful thinking.¹⁵ The Biden Administration’s initial US\$ 2 trillion ‘American Jobs Plan’ and its backing of the Indian, South African and other developing countries’ position to waive COVID-19 vaccine patents would have been unimaginable.¹⁶

The collective epiphany and momentum for progressive policy change have also emboldened

societal demands to take back control of our public services through (re)municipalization and other forms of de-privatization.¹⁷

Far from over: remunicipalization vs. privatization battlefields through COVID-19 times

While positive signals are emerging carrying the seed for a much-needed systemic shift, the old pro-austerity reflexes and privatization forces loom to snatch up new grabs of lucrative vital public services and common goods.

In Brazil, in the current political environment the crisis is instrumentalized to fast forward privatizations of profitable State-owned enterprises that have been historical public service strongholds for users and communities for decades, such as Cedae¹⁸ (water), Petrobras (energy), Correios¹⁹ (postal services), and Ceasaminas Mina Gerais²⁰ (food supply).

13 PSI-UCLG, Strong local public services for a safe world. UCLG-PSI Joint Statement in the context of the COVID-19 pandemic, 23 June 2021, https://pop-umbrella.s3.amazonaws.com/uploads/7b81a165-78b2-4844-b514-4fdd7eefada4_ENG_Joint_UCLG-PSI_statement_V_PSI22.6.2020_Final-2_acc_1_.pdf?key=

14 M. Mazzucato and M. McPherson, The Green New Deal: A bold mission-oriented approach, UCL, 21 December 2018, <https://www.ucl.ac.uk/bartlett/public-purpose/publications/2018/dec/green-new-deal-bold-mission-oriented-approach>

15 M. Mazzucato, COVID-19 and the Green New Deal, UN SDG Blog, 1 December 2020, <https://www.un.org/development/desa/undesa/voice/more-from-undesa/2020/12/50538.html>; M. Mazzucato and A. Andreoni, No More Free-Lunch Bailouts, Project Syndicate, 25 June 2020, <https://www.project-syndicate.org/commentary/conditional-bailouts-of-private-companies-2020-crisis-by-mariana-mazzucato-and-antonio-andreoni-2020-06>

16 The White House, American Jobs Plan, March 2021, <https://www.whitehouse.gov/american-jobs-plan/> and A. Macias. K. Beruniger and T. Franck, U.S. backs waiving patent protections for COVID-19 vaccines, citing global health crisis, CNBC, 6 May 2021, <https://www.cnbc.com/2021/05/05/us-backs-COVID-19-vaccine-intellectual-property-waivers-to-expand-access-to-shots-worldwide.html>

17 “Remunicipalization is the return of public services from private control and/or ownership in any form to full public ownership, management and democratic control. Remunicipalization means that municipalities and regional governments take back privately owned and/or managed services that are commissioned, under concession or funded by public bodies. The term emphasises the subnational dimension of bringing public services back into public ownership in territories and communities.” V. Wegmann, Taking Our Public Services Back In-House, PSIRU-PSI, Greenwich, UK and Ferney-Voltaire, France, September 2020, p. 10, <https://bit.ly/3fCricB>

18 E. Gibb, O dinheiro da Previdência canadense está financiando as privatizações do governo Bolsonaro, CartaCapital, 6 June 2021, <https://www.cartacapital.com.br/artigo/o-dinheiro-da-previdencia-canadense-esta-financiando-as-privatizacoes-do-governo-bolsonaro/>

19 L. Rocha, Câmara aprova PL de Bolsonaro que privatiza Correios, 5 August 2021, Brasil de Fato, <https://www.brasildefato.com.br/2021/08/05/camara-aprova-pl-de-bolsonaro-que-privatiza-correios>

20 “Ceasaminas consists of 744 companies distributed on six warehouses, generates about 12,000 direct jobs, and it is considered a trade reference for approximately 2,100 Brazilian municipalities. The Minas Gerais branch services about 4,000 farmers/month, covering approximately 50,000 direct customers and 15.5 million indirect ones,” <http://www.ceasaminas.com.br/indexestrangueiro.asp?codigolinguagem=2&codigomenu=52> and PSI, A luta contra a privatização da CEASA Minas Gerais, 23 July 2021, <https://publicservices.international/resources/news/a-luta-contra-a-privatizacao-da-ceasa-minas-gerais?id=12050&lang=pt>

In the UK, while praising the NHS for saving his life from COVID-19,²¹ Prime Minister Boris Johnson is pushing a new Health and Care Bill that would reshape the NHS into an 'Integrated Care System' on the model of American private care companies,²² featuring a mixed decision-making board where public institutions such as local councils would share power with for-profit companies like Centene²³ – involved in procurement scandals.²⁴ In Belgium, the Antwerp city council is privatizing the local care and social services at a time when more – not less – staff and infrastructures are needed.²⁵

Yet, Public Futures – the only available global de-privatization database – continues to record a regular stream of remunicipalizations, up to over 1,500 as of August 2021.²⁶

Conclusion: reclaiming a different future

There are no individual solutions to collective problems. Public services are about cooperation as opposed to competition; pooling resources together to everyone's benefit; and building solidarity within communities, societies and economies so that we can be stronger and more resilient together.

Unless we collectively move from operating public services under an extractivist paradigm to a common-good and solidarity-based approach there can be no resilience, no functioning economies and societies, no long-term perspective and no planet for us. This is the time to bring our public services back in-house and build economies, societies and institutions that work for all. Reclaiming and investing in our public services, even expanding beyond the scope of their traditional boundaries, is a key avenue to envision and build a new future where everyone can have a place. But the window of opportunity opened by COVID-19 is short-lived. We must seize it. There is no time to lose.

21 P. Stubbley, Coronavirus: Boris Johnson praises NHS as country's greatest national asset after saying 'he could have gone either way', The Independent, 12 April 2020, <https://www.independent.co.uk/news/uk/politics/coronavirus-boris-johnson-health-news-hospital-nhs-video-tweet-a9461616.html>

22 Keep Our NHS Public, Government used crisis to increase privatisation – NHS white paper will endorse, 6 February 2021, <https://keepournhspublic.com/government-used-crisis-to-increase-privatisation-nhs-white-paper-will-endorse/>

23 C. Molloy, Forget the spin – new English NHS bill is all about cutting our right to healthcare, openDemocracy 13 July 2021, <https://www.opendemocracy.net/en/ournhs/forget-the-spin-new-english-nhs-bill-is-all-about-cutting-our-right-to-healthcare/>

24 A. Fisher, The NHS is being privatised by stealth under the cover of a pandemic, The Guardian, 3 May 2021, <https://www.theguardian.com/commentisfree/2021/may/03/government-pandemic-privatise-nhs-by-stealth>

25 D. Goedertier, Privatiseringsdecreet: zorg als vastgoedinvesteren, Samenleving & Politiek, Vol. 28, 2021, no. 5 (May), pp. 55-61, <https://www.sampol.be/2021/05/privatiseringsdecreet-zorg-als-vastgoedinvestering?fbclid=IwAR0wo7KJx8QfhJdSBhvpp-XqddwgCMw5KM8x1vQqCZN4WUuoXmgx7TsmFk>

26 Public Futures. Global database of de-privatised public services. TNI, University of Glasgow, <https://publicfutures.org/>



Steps to prevent a global debt and austerity pandemic

BY ISABEL ORTIZ, GLOBAL SOCIAL JUSTICE, AND MATTHEW CUMMINS, SENIOR ECONOMIST

The high levels of expenditures needed to cope with COVID-19 and the resulting socio-economic crisis have left governments with growing fiscal deficits and debt. Analysis of expenditure projections shows that budget cuts are expected in 159 countries in 2022. The trend continues at least until 2025, with an average of 139 countries expecting budget cuts each year, according to IMF projections.¹ Austerity is projected to affect 6.6 billion people or 85 percent of the world population next year, with around four out of five persons still living under austerity in 2025.²

#EndAusterity is a global campaign to stop austerity measures that have negative social impacts. In 2020, more than 500 organizations and academics from 87 countries called on the IMF and ministries of finance to immediately abandon austerity policies, and instead support policies that advance gender justice, reduce inequality and put people and planet first.³ These organizations, concerned about governments' ability to fulfil human rights and advance progress towards the SDGs, are alarmed that austerity is returning to the policy agenda. The pandemic has laid bare the deadly repercussions of systematically weak investments in health, education and

social protection and their impacts on marginalized populations, including women, older people, racial and ethnic minorities, informal workers and low-income families. This crisis is also shining light on the shrinking middle classes and the widening gaps between the rich and the poor.⁴ Rather than cutting spending, governments should be laser focused on creating fiscal space to foster an inclusive and sustainable socio-economic recovery.

Austerity cuts are not inevitable; there are financing alternatives, even in the poorest countries. There is a wide variety of options to expand fiscal space and generate resources for socio-economic post-pandemic recovery. These options are supported by the UN as well as the international financial institutions (IFIs). Governments around the world have been applying them for decades.⁵ While it is encouraging that some of these ideas are emerging in policy discussions, much more ambition is needed to provide countries with the funding required to emerge from the pandemic and deliver on the Sustainable Development Goals (SDGs). Precisely, a fundamental human rights principle is that States must utilize all possible resources to realize human rights. The eight main options are summarized below.

■ Increasing tax revenues: Taxation is the principal channel for generating resources, which is

1 IMF, World Economic Outlook, October 2020: A Long and Difficult Ascent, 2020

2 I. Ortiz and M. Cummins, Global Austerity Alert: Looming budget cuts in 2021-25 and alternative pathways, IPD Global Social Justice, International Trade Union Confederation, Public Services International, Arab Watch Network, Bretton Woods Project and Third World Network, 2021.

3 <https://www.brettonwoodsproject.org/wp-content/uploads/2020/10/statement-against-IMF-austerity-English-2.pdf>.

4 OXFAM, "The Inequality Virus: Bringing together a world torn apart by coronavirus through a fair, just and sustainable economy," 2021.

5 I. Ortiz, M. Cummins and K. Karunanethy, Fiscal Space for Social Protection and the SDGs: Options to Expand Social Investments in 187 Countries, ILO, UNICEF and UN Women, 2017.

achieved by altering tax rates – e.g., on corporate profits, financial activities, property, imports/exports, natural resources, digital activities – or by strengthening the efficiency of tax collection methods and overall compliance. Given the increasing levels of inequality, it is important to adopt progressive approaches, taxing those with more income; consumption taxes should be avoided as they are generally regressive and contrary to social progress. Many governments are increasing taxes to achieve greater social investment. For example, Bolivia, Mongolia and Zambia are financing universal pensions, child benefits and other schemes from mining and gas taxes; Ghana, Liberia and the Maldives have introduced taxes on tourism to support social programmes; and Brazil has introduced a tax on financial transactions to expand social protection coverage. Encouragingly, wealth taxes are being proposed in many countries as the best policy to cope with COVID-19.

- **Borrowing or debt reduction:** Borrowing or debt restructuring/reduction involves active exploration of domestic and foreign borrowing options at low cost, including concessional, following careful assessment of debt sustainability. For countries in high debt distress, restructuring or reducing existing debt should be possible and justifiable if the legitimacy of the debt is questionable and/or the opportunity cost in terms of worsening deprivation of the population is high. In recent years, more than 60 countries have successfully renegotiated debts, and more than 20 have defaulted or repudiated public debt; examples include Ecuador, Iceland and Iraq, which invested debt service savings to social programmes. Since COVID-19, the G20's Debt Service Suspension Initiative (DSSI) and the IMF's Catastrophe Containment and Relief Trust (CCRT) have provided some relief, but so much more is needed.
- **Eliminating illicit financial flows:** Estimated at more than ten times the size of all development aid, a titanic amount of resources criminally escapes developing countries each year. To date, little progress in eliminating this outflow has been achieved, but policy-makers should devote greater attention to cracking down on money laundering,

bribery, tax evasion, trade mispricing and other financial crimes that are both illegal and deprive governments of revenues for socio-economic development.

- **Expanding social security coverage and formalizing workers in the informal economy:** For social protection, increasing coverage and therefore the collection of social insurance contributions is a sustainable way to finance expanded social protection; remarkable examples can be found in Uruguay's Monotax and Brazil's SIMPLES, as well as in Argentina, Tunisia and many other countries that have demonstrated the power of formalizing and protecting people that were working in the informal economy.
- **Re-allocating public expenditures:** Re-allocation of public spending involves adjusting budget priorities and/or replacing high-cost, low-impact investments with those with larger socio-economic impacts. For example, Costa Rica and Thailand reduced spending on the military in order to fund universal health services.
- **Using fiscal and central bank foreign exchange reserves:** Such measures include drawing down fiscal savings and other State revenues stored in special funds, such as sovereign wealth funds, and/or using excess foreign exchange reserves in the central bank for domestic and regional development. Chile, Norway and Venezuela, among others, have pursued these strategies to increase socio-economic investments.
- **Lobbying for aid and transfers:** Aid lobbying requires engaging donor governments, international financial institutions and regional development organizations to ramp up North-South or South-South transfers, including through grants and concessional loans.
- **Adopting a more accommodating macroeconomic framework:** Adoption of an enabling macroeconomic framework entails allowing for higher budget deficit paths and/or higher levels of inflation without jeopardizing macroeconomic stability. Many developing countries adopted these strategies

during the global financial and economic crisis to support socio-economic recovery at a time of low growth. In high-income countries, quantitative easing was commonly used, whereby a central bank purchases government bonds or other financial assets in order to inject money into the economy as a form of stimulus. These measures have also been widely applied in response to COVID-19.

Each country is unique, and all fiscal space options, including the potential risks and trade-offs, should be carefully examined and considered in an inclusive national social dialogue. All countries have at least some of these options. It is important to identify which funding possibilities may or may not be feasible in the short and medium term. In order to enhance transparency, national ownership and political will, the different alternatives and trade-offs must be discussed in an open manner with full stakeholder participation. As reflected in Table 3.1, most countries combine multiple options. Ultimately, successfully creating fiscal space requires understanding the winners and losers of a specific option and effectively debating the pros and cons in an

inclusive public national dialogue.

Citizens have challenged and successfully reversed austerity measures over the past decade. For instance, following demonstrations and campaigns, governments have reinstated subsidies (Bolivia in 2010, Ecuador in 2019, Nigeria in 2012), reversed tax increases on basic goods (Burkina Faso, Cameroon and Ivory Coast in 2008), and reversed water fee increases (Ireland in 2016) and higher student fees (South Africa in 2016).⁶ Regarding pension and social security reforms, courts in Latvia (2010), Romania (2010) and Portugal (2013) declared austerity cuts unlawful and unconstitutional and forced social benefits to be reinstated.⁷

6 I. Ortiz, S. Burke, M. Berrada and H. Cortes-Saenz, World Protests 2006–2013, IPD and Friedrich-Ebert-Stiftung, 2013.

7 ILO, World Social Protection Report 2017–19: Universal social protection to achieve the SDGs, 2017.

Table 3.1

Examples of fiscal space strategies adopted in selected countries

Strategy	Bolivia	Botswana	Brazil	Costa Rica	Lesotho	Iceland	Namibia	South Africa	Thailand
Re-allocating public expenditures				X	X	X		X	X
Increasing tax revenues	X	X	X		X	X	X		X
Expanding social security contributions			X	X	X		X	X	X
Reducing debt/debt service	X	X	X	X	X	X		X	X
Curtailling illicit financial flows						X			
Increasing aid							X		
Tapping into fiscal reserves	X	X	X						
More accommodative macro framework	X		X						X

Source: Ortiz, Cummins and Karunanethy, Fiscal Space for Social Protection and the SDGs. (<https://www.social-protection.org/gimi/gess/ResourcePDF.action?ressource.ressourceId=51537>).

Here are five steps to prevent austerity and foster a robust socio-economic recovery:

- Step 1.** Identify whether or not your government is cutting public expenditures. Check Ortiz and Cummins (2021), OXFAM (2021) and particularly the IMF website.⁸
- Step 2.** State alternative demands for post-pandemic recovery. Any austerity measure that results in negative social impacts should be avoided and countered with an alternative policy (see examples in Table 2).
- Step 3.** Call for national social dialogue. Policy and financing decisions that affect the lives of millions of people cannot be taken behind closed doors at the Ministry of Finance. National tripartite dialogue, with government, employers and workers as well as representative civil society organizations, Parliaments, United Nations agencies and others, is fundamental to generate the political will to exploit all possible fiscal space options in a country, and adopt the optimal mix in terms of macroeconomic and fiscal policy, the need for job and income security and human rights.
- Step 4.** Carry out a rapid and timely assessment of the social impacts of the different policy options and financing alternatives. This should not be a long and technically difficult document, but rather a quick scoping exercise that enables meaningful national debate.
- Step 5.** Agree on an optimal set of policies through national social dialogue with representative trade unions, employers, CSOs and other relevant stakeholders.

8 Find your country on the IMF website (<https://www.imf.org/en/Countries>); see Annex with country data in Ortiz and Cummins, Global Austerity Alert; and OXFAM, Behind the Numbers: A dataset on spending, accountability, and recovery measures included in IMF COVID-19 loans, 2021.

Table 3.2

Common austerity measures and alternative policies for post-pandemic recovery

Austerity Measures with Negative Social Impacts	Alternative Policies for Post-Pandemic Recovery
Cuts to public expenditures	#EndAusterity: No cuts with negative social impacts – ever! If spending needs to be scaled back, reduce military/defense, bank bailouts and other expenditures that benefit powerful interest groups and not the general population.
Wage bill cuts or caps	Instead, increase the number of public sector workers who provide essential services, including education, health, social protection, water supply and sanitation, transportation, etc. Also ensure that salaries are adequate and paid on time.
Reducing subsidies	Instead, support food, agriculture and other socially relevant subsidy programmes, ensuring that food, transport and energy costs remain accessible and affordable. Note that lowering or removing subsidies on areas with no positive social impacts, like defense or polluting industries, can be a good option to create fiscal space for socio-economic priorities.
Pension and social security reforms	Instead, support the extension of social security or social protection with adequate benefits, formalizing informal sector workers with good contracts; any social security reform must balance equity and sustainability, in accordance with international labour standards.
Rationalization and narrow targeting of safety nets	Instead, invest in universal social protection, scaling up and building social protection systems and floors for all, in accordance with human rights, international standards and the SDGs.
Rationalization and narrow targeting of safety nets	Instead, address the high levels of precarious, low-wage and informal work by strengthening worker protections and labour market institutions for living wages, safe and productive workplaces, labour rights and job security; invest in creating jobs in sectors that are climate-friendly and address global needs, including the care economy and sustainable infrastructure.
Consumption taxes or VAT	Instead, increase taxes on corporate profits, personal income, financial transactions, property, natural resource extraction, digital activities, luxury items, imports/exports and other progressive approaches.
Privatizations and public-private partnerships (PPPs)	Instead, invest in affordable quality public services that will ensure achievement of human rights and the SDGs.
General – austerity and pro-cyclical policy	Instead of austerity cuts, governments should identify financing options to support counter-cyclical policies that enable a jobs-rich recovery and achievement of human rights and the SDGs.

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Time to overcome contradictions and hypocrisy in the COVID-19 crisis

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