

NEXUS Shaping Feminist Visions in the 21st Century

A periodic brief covering issues of global relevance to gender equality and the realization of human rights for all

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Making Macroeconomics Work For US: A Feminist Perspective

Why are the Links Between Macroeconomics and Human Rights Important?

Ever wonder if the U.S. government could use a better framework to address poverty, inequality and unemployment? Have you considered how certain policies that are overwhelmingly supported by government and corporate interests undermine adequate standards of living and reinforce gender disparities? Economic policy directly affects access to housing, income, healthcare and jobs, and is intrinsically connected to the realization of human rights. Macroeconomic policies (fiscal and monetary) can either serve to enhance or erode people's enjoyment of basic human rights. The purpose of this brief is to highlight the links between macroeconomics and human rights in order to better inform discussions about solutions.

What is Macroeconomic Policy?¹ The concept of the macroeconomy is a way of talking about the entire workings of the national economy. Macroeconomic policies affect the operation of the economy as a whole; shaping the availability and distribution of resources. Within this context fiscal and monetary policies are key. Fiscal policy refers to both public revenue and public expenditure, and the relationship between them as expressed in the government budget. Setting fiscal policy is the responsibility of the U.S. Treasury² and involves both the Executive and Legislative branch of the government. Monetary policy includes policies on interest and exchange rates and the money supply, as well as the regulation of the financial sector. In the U.S., monetary policy is the responsibility of the Federal Reserve, which is considered an independent body whose decisions can be made autonomously without ratification from Congress. In terms of its legal domestic mandate, there are few mechanisms to hold the Federal

Reserve transparent and accountable. Macroeconomic policies are implemented using instruments such as taxation, government spending, and control over the supply of money and credit. These policies affect key prices such as interest and exchange rates that directly influence, among other things, the level of employment, access to affordable credit, and the housing market.

What are Human Rights? Human rights are internationally agreed standards that are indivisible and universal, set forth in landmark documents under the umbrella of the International Bill of Human Rights, the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR). At the time of the United Nations founding, the UDHR was imagined as, "a common standard of achievement for all peoples and all nations."

Two covenants drawn from the UDHR are the ICCPR and ICESCR. Civil and political rights include the right to life, equality before the law and freedom of expression. Its counterpart - economic, social and cultural rights - includes the rights to work, to social security, and to education. They also include collective rights, such as the rights to development and self-determination. All human rights are indivisible, interrelated and interdependent.³

As explained in the United Nations Charter, Article 102, "Every treaty and every international agreement entered into by any Member of the United Nations after the present Charter comes into force shall as soon as possible be registered with the Secretariat and published by it," and therefore becomes legally binding.⁴ International treaties are signed and ratified at the discretion of governments.

1 Adapted from, "Rethinking Macro Economic Strategies from a Human Rights Perspective: Why MES with Human Rights II," <http://cwgl.rutgers.edu/globalcenter/publications/whymes2.pdf> (August 2011).

2 The treasury is equivalent to the ministry of finance in other countries.

3 Office of the High Commissioner for Human Rights, <http://www.ohchr.org/en/issues/Pages/WhatareHumanRights.aspx> (May 2011).

4 Charter of the United Nations, Chapter XVI: Miscellaneous Provisions, Article 102, <http://www.un.org/en/documents/charter/chapter16.shtml> (May 2011).

Once ratified, countries become a party to it and must commit to addressing human rights at home.

The specific obligations under international human rights law are for States to respect, protect and fulfill the economic and social rights of people within their jurisdiction. When businesses or private institutions threaten to interfere with these basic human rights, the government must step in to protect those rights, and cease from making policy that advances the interests of private corporations in ways that undermine the realization these rights.

Prior to the creation of the ICCPR and the ICESCR, the United States Bill of Rights proclaimed similar inherent rights for all Americans. The UN Covenants are unique tools that social justice activists can apply to promote human rights achievement and progress in the U.S. Rights holders (activists) can seek accountability from their duty bearers (governments) and demand rights outlined in various international treaties that highlight economic and social rights to ensure their realization.⁵

Since 1994 the U.S. has been legally bound by the provisions within the International Convention on the Elimination of All Forms of Racial Discrimination (CERD). As a State Party to the CERD, the U.S. has an obligation “to prohibit and to eliminate racial discrimination in all its forms” including, “the rights to work, to free choice of employment, to just and favourable conditions of work, to protection against unemployment, to equal pay for equal work, to just and favourable remuneration.”⁶ Although the U.S. has ratified CERD, it has yet to commit to many other international human rights treaties including, the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) also known as the International Bill of Rights for Women.⁷

In sum, a human rights framework draws on the understanding that all human beings have inherent rights, including economic and social rights, which should be fundamentally applied as principle obligations of the State to ensure that individuals are treated with dignity.

⁵ The U.S. ratified the ICCPR in 1992. However, the U.S. has not yet ratified the ICESCR.

⁶ International Convention on the Elimination of All Forms of Racial Discrimination, Article 5, (i), <http://www2.ohchr.org/english/law/cerd.htm> (March 2011).

⁷ CEDAW Task Force of The Leadership Conference on Civil and Human Rights, <http://www.cedaw2011.org/>.

What are the Links Between Human Rights and Macroeconomics in the U.S.?

Applying a human rights framework to macroeconomic policy allows States to better comply with their obligation to protect economic and social rights. Since the financial crisis began, the U.S. has enacted a significant fiscal stimulus policy in the form of tax cuts, federal aid to states and direct jobs programs. In human rights terms however, the policy responses are mixed. One economic stimulus act that significantly stalled increased levels of poverty was the 2009 Recovery Act (ARRA).⁸ Although ARRA was designed to bolster a collapsing economy, it generated important multiplier effects, including the protection of millions of families against poverty. The Recovery Act kept more than 4.5 million people out of poverty in 2009.⁹ However, poverty in the U.S. continues to remain a hindrance to the achievement of human rights. In 2010, the first full calendar year since the recession ended, 46.2 million people were in poverty.¹⁰ Additionally, there is an increasing and significant gendered and racial disparity amongst the unemployed.¹¹ As households lose income, women are taking on a larger burden of work to ensure that basic needs are met.

In a moment of fiscal paralysis, the U.S. is failing to mobilize its maximum available resources to protect basic economic and social rights. In 2008, sizeable tax cuts and substantial resources were devoted to rescuing financial institutions instead of the individuals who had been directly affected by the subprime mortgage crisis through the Troubled Asset Relief Program (TARP). This has raised concerns regarding the beneficiaries of government investments in the wake of the economic crisis. Reducing public services is almost always anathema to strengthening people’s and particularly women’s standards of living and increasing decent work opportunities. Furthermore, the current

⁸ On Feb. 17, 2009, Congress passed the American Recovery and Reinvestment Act of 2009. A direct response to the economic crisis, the Recovery Act has three immediate goals: I) create new jobs and save existing ones; II) spur economic activity and invest in long-term growth; III) foster unprecedented levels of accountability and transparency in government spending, http://www.recovery.gov/About/Pages/The_Act.aspx (August 2011).

⁹ Arloc Sherman, “Despite Deep Recession and High Unemployment, Government Efforts — Including the Recovery Act — Prevented Poverty from Rising in 2009, New Census Data Show,” <http://www.cbpp.org/cms/index.cfm?fa=view&id=3361> (April 2011).

¹⁰ United States Census, “Income, Poverty, and Health Insurance Coverage in the United States: 2010,” <http://www.census.gov/prod/2011pubs/p60-239.pdf>.

¹¹ The unemployment rate was 8.0 percent for whites (3.6 percentage points higher than at the start of the recession), 16.2 percent for African Americans (7.2 percentage points higher than at the start of the recession), and 11.9 percent for Hispanics or Latinos (5.6 percentage points higher than at the start of the recession), <http://www.cbpp.org/cms/index.cfm?fa=view&id=3507> (August 2011).

controversial budget cuts to social sectors will prove naught in the long-term. Christina Romer, formerly chair of the White House Council of Economic Advisers recently shared that, “if you increase government spending...that stimulates the economy and lowers the unemployment rate.”¹²

For the U.S. to make progress, it should focus on restoring decent jobs rather than cutting spending. The following are ways that the U.S. can set policy to rebuild the American economy in the best interests of women and men: I) invest in infrastructure; II) invest in public education; III) secure social security; IV) return to fairer tax rates; and V) decrease military spending.¹³

The U.S. needs to both invest in the creation of jobs and ensure that jobs are of decent quality. Current and future budget allocations should go towards the creation of employment that specifically includes economically marginalized groups.¹⁴

The U.S. government has illustrated to the American public that it continues to overlook certain populations as it reacts to the current crisis. Using the human rights principles explored in this brief provides activists and policy makers with a set of standards that value human security and dignity over market based approaches. Practices that only serve the interests of financial institutions violate state’s obligation to protect, respect and fulfill economic and social rights.

¹² Bill Maher interview with Christina Romer (August 2011).

¹³ Contract for the American Dream, http://contract.rebuildthedream.com/?rc=rtd_home.

¹⁴ Joint letter to the U.S. Congress demanding a human rights perspective on budget decisions, <http://cwgl.rutgers.edu/globalcenter/whatsnew/Budgeting%20and%20Human%20Rights%20Sign-on%20Letter%20October%202011.pdf>.

What Can You Do? It is apparent that current macroeconomic policies are isolated from the realities of women and men and serve to erode human rights. At the Universal Periodic Review in November 2010, the U.S. expressed support for a number of economic and social rights recommendations, including improving decent work and housing.¹⁵ However, little has been done to develop policies to realize these rights. Now it is up to civil society to hold the U.S. accountable to its human rights commitments! The following are suggestions of ways to advocate for macroeconomic policies that promote human rights and hold the U.S. government accountable:

- **Work with local social justice organizations to understand the impacts of macroeconomic policy on your community!**
- **Read through economic and social rights resources available on CWGL’s website!**¹⁶
- **Find ways to connect your activism to human rights and economic policy!**
- **Become involved with the US Human Rights Network!**¹⁷
- **Join the CWGL Facebook community and the CWGL listserv by emailing cwgl@rci.rutgers.edu!**¹⁸

¹⁵ CWGL UPR resources, <http://cwgl.rutgers.edu/globalcenter/policy/unadvocacy/upr.html>.

¹⁶ CWGL Economic and Social Rights Resources, <http://cwgl.rutgers.edu/globalcenter/econ.html>.

¹⁷ US Human Rights Network, <http://www.ushrnetwork.org/>.

¹⁸ CWGL Facebook, <http://www.facebook.com/CenterforWomensGlobalLeadership>.