

Committee: Social, Humanitarian and Cultural Committee

Issue: The consequences of economic crises on human rights

Student Officer: Elena Patsalia

Position: Co-Chair

PERSONAL INTRODUCTION

Dear Delegates,

My name is Elena Patsalia and I am currently an 11th grader at the German School of Thessaloniki. I have the great honor to serve as Co-Chair in this year's GA3 committee and I have to admit that I am excited to work with you! Having participated in MUN Conferences in the past, I have grown to realize what an extraordinary experience those conferences are as well as recognize the importance of the issues that are being discussed in all committee rooms. MUN Conferences in general offer you the chance to enhance your public speaking skills as well as stand up and debate upon issues that have been discussed within the global community for years now. Since our topic, namely the Consequences of Economic Crises on Human Rights, is a topic of major importance, with this Study Guide I am hoping to help you form resolutions and find adequate ways to tackle the issue. Although this Study Guide will introduce you to the main aspects of the topic, you should not fully rely on it. Additional research is needed, especially concerning your countries' policies. Therefore, I wholeheartedly urge you to research and broaden your knowledge on the topic so as to be fully prepared. Should any questions arise, please don't hesitate to contact me via email at epatsalia@gmail.com. I am more than happy to help you.

I'm looking forward to meeting you all and hope that our committee will find innovative and progressive ideas to tackle the issue. Let's all hope for an interesting and fruitful debate!

Kindest regards,

Elena Patsalia

TOPIC INTRODUCTION

Nowadays, economic crises are spreading all over the world. From the West to the East and from the North to the South, the appearance of economic crisis does not only affect the financial status and the policy of a country, but also the human rights of its citizens.

An economic crisis can have very negative effects on the fundamental human rights due to the fact that the levels of unemployment rise and the GDP of the country decreases. As a result, the quality of life of the citizens worsens; people are often found living underneath the poverty line, not having access to basic needs such as healthcare and education. Having a low quality of life can have negative effects on the level of productivity of the people, which then results in low economic growth within the country, creating an inequitable distribution of incomes.

It is, therefore, very crucial to find solutions and tackle the issue from its roots and deal with the ongoing economic crises but also prevent future ones.

DEFINITION OF KEY TERMS

Economic crisis

An economic crisis is a situation in which a country's economy experiences a sudden economic downturn due to a financial crisis. It is also called real economic crisis. Some typical characteristics of an economic crisis are the falling GDP, the drying up of liquidity and the rising prices of products. ¹

Gross Domestic Product (GDP)

The term Gross Domestic Product stands for a broad measurement of a nation's overall economic activity. GDP is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. ²

Gross National Product (GNP)

GNP is an estimate of total value of all the final products and services turned out in a given period by the means of production owned by a country's residents.

¹ "What Is Economic Crisis? Definition and Meaning." *BusinessDictionary.com*, WebFinance Inc, 2019, www.businessdictionary.com/definition/economic-crisis.html.

² Chappelow, Jim. "The ABC on GDP: All You Need to Know About Gross Domestic Product." *Investopedia*, Investopedia, 1 July 2019, www.investopedia.com/terms/g/gdp.asp.

GNP starts with GDP, adds residents' investment income from overseas investments, and subtracts foreign residents' investment income earned within a country.³

Basic salary

According to Cambridge Dictionary, a basic salary is the amount of money that somebody earns every year in their job, not including any extra payment they may receive.⁴

Human rights

Human rights are rights inherent to all human beings, whatever their nationality, place of residence, sex, national or ethnic origin, color, religion, language, or any other status. All human beings are equally entitled to their human rights without discrimination. These rights are all interrelated, interdependent and indivisible.⁵

Unemployment

Unemployment occurs when a person who is actively looking for employment is unable to find work, which means lower economic output, while still requiring subsistence.⁶

Inflation

Inflation is a quantitative measure of the rate at which the average price level of a basket of selected goods and services in an economy increases over a period of time. It is the constant rise in the general level of prices where a unit of currency buys less than it did in prior periods.⁷

Deflation

Deflation is the general decline in prices for goods and services occurring when the inflation rate falls below 0%. Deflation happens naturally when the money

³ Chappelow, Jim. "Gross National Product (GNP) Definition." *Investopedia*, Investopedia, 9 May 2019, www.investopedia.com/terms/g/gnp.asp.

⁴ "BASIC SALARY | Meaning In The Cambridge English Dictionary", Dictionary.Cambridge. Org, <https://dictionary.cambridge.org/dictionary/english/basic-salary>.

⁵ "OHCHR | What Are Human Rights". Ohchr.Org, <https://www.ohchr.org/EN/Issues/Pages/WhatAreHumanRights.aspx>.

⁶ "Unemployment Definition". Investopedia, <https://www.investopedia.com/terms/u/unemployment.asp>.

⁷ Chen, James. "Inflation Definition." *Investopedia*, Investopedia, 15 Aug. 2019, www.investopedia.com/terms/i/inflation.asp.

supply of an economy is fixed. In times of deflation, the purchasing power of currency and wages are higher than they otherwise would have been.⁸

Economic growth

Economic growth is a macro-economic concept which refers to a rise in real national income, which is sustained over two consecutive quarters of a year. Traditionally, aggregate economic growth is measured in terms of Gross National Product (GNP) or Gross Domestic Product (GDP).⁹

Absolute poverty

Absolute poverty is when household income is below a certain level, which makes it impossible for the person or family to meet basic needs of life including food, shelter, safe drinking water, education, healthcare, etc. In this state of poverty, even if the country is growing economically it has no effect on people living below the poverty line. Absolute poverty compares households based on a set income level and this level varies from country to country depending on its overall economic conditions.¹⁰

Poverty Trap

A poverty trap is a mechanism that makes it very difficult for people to escape poverty. A poverty trap is created when an economic system requires a significant amount of capital in order to earn enough to escape poverty. When individuals lack this capital, they may also find it difficult to acquire it, creating a self-reinforcing cycle of poverty.¹¹



Figure 1: Income - Labour diagram

⁸ Kenton, Will. "Deflation." *Investopedia*, Investopedia, 28 Mar. 2019, www.investopedia.com/terms/d/deflation.asp.

⁹ Chappelow, Jim. "Economic Growth Definition." *Investopedia*, Investopedia, 20 Aug. 2019, www.investopedia.com/terms/e/economicgrowth.asp.

¹⁰ "Relative vs Absolute Poverty: Defining Different Types of Poverty." *Habitat for Humanity GB*, 10 Sept. 2018, www.habitatforhumanity.org.uk/blog/2018/09/relative-absolute-poverty/.

¹¹ Chen, James. "Poverty Trap Definition." *Investopedia*, Investopedia, 26 Apr. 2019, www.investopedia.com/terms/p/poverty-trap.asp.

BACKGROUND INFORMATION

When it comes to the humanitarian consequences of an economic crisis, there are several aspects of the problem, some of which are mentioned in this section of the Study Guide.

Unemployment

Firstly, as mentioned previously, a real economic crisis results to high rates of unemployment in a country. Due to this fact, the basic salaries of a country's workers become lower and so does the income of each working citizen. Low incomes, then often result to people having no none or limited access to healthcare or education. Apart from that, the decrease of income, has negative effects on the economy of a country as well, specifically, when it comes to a low equity in incomes. As a result, the economic growth of a country in the period of an economic crisis lowers, meaning that the rates of GNP and GDP decrease.

Social Problems

High crime rates

An economic crisis results in violations of fundamental human rights such as the access to nutrition and housing. This can often lead to an increased level of criminality in a country, which is experiencing an economic crisis. The fact that a lot of people have a bad quality of life and live under the poverty line can often lead them to commit committing crimes of small or major importance. The most frequent crimes noticed in times of economic crises are burglaries and robberies. More violent crimes, like murders, are not very often but can also occur. Of course, the main reason is poverty, but there are also psychological factors that can lead someone to commit a crime in times of an economic crisis. More specifically, people that weren't living in bad conditions before, but an economic crisis led them to a high level of poverty may experience psychological difficulties. Very frequently, such individuals envy others that aren't affected by the economic crisis the way they are. The feelings of jealousy and envy often turn people against each other, increasing the rates of criminality.

Economic Discrimination

Another social problem, which occurs in times of economic crises is economic discrimination. The term economic discrimination means discrimination based on economic factors within the area of commerce. Economic discrimination is usually caused by various factor such as job

availability, remunerations, the values or availability of goods and services, as well as the amount of capital investment funding available to minorities for business. One's financial status can often be viewed as a reason for them to be discriminated from society. This discrimination is noticed when an individual is looking for employment but also when it comes to the social relationships of the same individual.

Racism and xenophobia/Accession of extremist movements

Economic crises can often lead to increasing racism and xenophobia against minority groups, particularly foreign nationals. This phenomenon can be attributed to the perception that migrants aim to take away jobs or scarce welfare benefits. Unfortunately, extremist groups may seize on such fears and gain public support through populist and nationalist propaganda. Minorities that migrate to other countries to look for employment are often satisfied with lower salaries than those who seek work in their own country. Therefore, the anti-foreigner sentiment is usually higher among those who are unemployed. The feeling that foreign nationals may take away jobs from the natives is one of the main factors which have resulted in the accession of extremist movements in the whole world. Usually, the first argument presented by the representatives of such movements in order to support their extreme and often absurd opinion is the fact that foreign nationals may take away jobs. It is very common that those people are disappointed by their country's economy and therefore turn to extremist movements and parties.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

Cyprus

Between 2012 and 2013 Cyprus experienced a serious economic crisis, which had financial, political and social consequences. According to studies, the Cypriot economic crisis led to social inequalities. Social inequality rose steeply as a result of general and youth unemployment in particular. The most significant change was the introduction of the Minimum Guaranteed Income scheme (GMI). The idea behind it was to improve efficiency and to unify the various welfare benefit schemes in operation, which were considered to be fragmented. This means, that it provided assistance to individuals or families that are unable to gain enough income to support themselves. The GMI scheme was characterized rather inefficient since it is a way of measuring poverty rather than eliminating it.

Greece

The ongoing economic crisis in Greece that started in 2009 has had serious impacts on politics as well as on a social level. Due to the economic crisis more than 400,000 people have emigrated with the unemployment rate peaking at 27.5% in 2013. In 2015, a referendum concerning the plan of agreement proposed to Greece by the European Union took place. The citizens were asked to decide whether the agreement proposed by the EU concerning Greece's financial status should be accepted by the Greek government or not. The results were 61.31% against and 38.69% in favor of the agreement. However, the Greek government refused to deny the agreement, as such a decision would cause serious problems to the Greek economy. Many citizens are nowadays unemployed and therefore have extremely low incomes, that are often not enough to support themselves and their families.

REFERENDUM of the 5th of July 2015

Should the plan of agreement be accepted, which was submitted by the European Commission, the European Central Bank, and the International Monetary Fund in the Eurogroup of 25.06.2015 and comprises of two parts, which constitute their unified proposal?

The first document is entitled "Reforms For The Completion Of The Current Program And Beyond" and the second "Preliminary Debt Sustainability Analysis."

NOT ACCEPTED / NO

ACCEPTED / YES

Figure 2: Translation of the 2015 referendum question in Greece

Venezuela

An economic crisis began in Venezuela in the time of the presidency of Hugo Chávez and has continued during Nicolás' Maduro presidency. In 2010 the crisis became more intense due to a drop in Venezuela's oil production from lack of maintenance and investment. Some other factors that contributed to the worsening crisis are political corruption, closure of companies, unemployment, authoritarianism, and human rights violations. The situation in Venezuela has been determined as "economic war". In 2018 the United Nations High Commissioner for Human Rights (OHCHR) documented that information gathered indicates that the socioeconomic crisis had been unfolding for several years. At this point of the crisis, the United Nations needs to declare a full-scale humanitarian emergency in Venezuela and more specifically to provide medical help and supplies.

United States of America

The very well-known economic crisis in 1929, also known as the Great Depression, had detrimental impacts on human rights of the American citizens. More specifically the collapse of the stock market in that year resulted in thousands of people losing their properties and remaining unemployed. Many people’s financial status fell below average and a lot of them couldn’t bear with the situation and ended up killing themselves. So, the very first of the fundamental human rights, namely the right to live, was taken away from those people as a result of a huge economic crisis.

TIMELINE OF EVENTS

Date	Description of event
1929	The Great Depression, one of the most detrimental economic crises, started in USA.
1948	The Universal Declaration of Human Rights was signed under the auspices of the United Nations.
2009	The ongoing economic crisis in Greece began.
2010	The economic crisis in Venezuela intensified.
March 2010	UNICEF published a report named “Bringing Human Rights to Bear in Times of Crisis”.
July 5, 2015	The latest Greek referendum took place.
2018	Turkey faced an economic crisis relating to the country’s currency. The Turkish Lira devalued greatly while the country suffered from inflation.

RELEVANT RESOLUTIONS, TREATIES AND EVENTS

Universal Declaration of Human Rights

The Article 25.1 recognizes that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food,

clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.¹²

Bringing Human Rights to Bear in Times of Crisis

In March 2010, UNICEF published a human rights analysis of government responses to economic crisis.¹³

A/HRC/13/38

On February 18, 2010, the Office of the United Nations High Commissioner for Human Rights published a report under the auspices of the General Assembly, reflecting upon the impact of the global economic and financial crises on the realization of all human rights and on possible actions to alleviate it. The report was based on the Human Rights Council's resolution on the "Promotion and protection of all human rights, civil, political, economic, social and cultural rights, including the right to development".¹⁴

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

"Rights in Crisis"

In April 2013, the UN Office of the High Commissioner for Human Rights held a two-day expert meeting in New York, where rights-based approaches to financial regulation, macroeconomic policies and economic recovery were discussed. The Concept Note, program of work, participant's biographies, draft background paper, as well as statements, papers and presentations of the meeting can all be found on the official website of the OHCHR.¹⁵

National human rights structures (NHRs)

NHRs is the general term for several structures and institutions that each country has including independent human rights commissions, general or specialised ombudsmen and equality bodies. Despite their form, NHRs serve as constitutional advocates of human rights and equality. Concerning the matter at hand, their most important contributions are those relating to the safeguarding of the human rights of people who are the most negatively impacted in times of crises. As they serve as intermediates between not only government and civil society of each country but

¹² https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf

¹³ https://www.unicef.org/socialpolicy/files/Bringing_Human_Rights_to_Bear_in_Times_of_Crisis.pdf

¹⁴ <https://www2.ohchr.org/english/bodies/hrcouncil/docs/13session/A-HRC-13-38.pdf>

¹⁵ <https://www.ohchr.org/EN/Issues/Development/Pages/PromotingHRbasedfinancialregulationmacroeconomicpolicies.aspx>

also the national and European human rights systems, they aim to connect civil, political, economic and social rights.

Since European countries have been stricken by economic crises, especially following the Global Financial Crisis in 2008, the NHRs across the continent have begun responding to the problem via their authorised functions to promote and protect human rights. The measures that have been taken included raising public and media awareness regarding the people that are being excessively affected by austerity policies. Several NHRs have organised public conferences, workshops, and civil society dialogues as part of their efforts to promote social and economic rights to all during a crisis. In addition, aiming to support those marginalised, many NHRs provide gratis legal assistance and representation for low-income complainants, especially those facing discrimination, while they try to give attention to all cases of xenophobic and racist attacks.

In a report published by the Commissioner for Human Rights of the Council of Europe ¹⁶, many examples of NHRs in countries struggling to cope or recover from an economic crisis are mentioned, specifically referring to those that have adopted an active approach by systematically analysing the human rights effects of austerity. To name a few of these examples, during the years of 2011 and 2012, the Greek National Commission for Human Rights and the Basque Ombudsman in Spain, have published policy papers or recommendations to both raise awareness regarding the impacts of austerity on the human rights and constructively examine austerity policies. Moreover, in May 2012, the Equality and Human Rights Commission in the United Kingdom conducted an equality assessment of the processes of budgetary decision-making used by the Government in order to determine whether public institutions, including the Treasury, had “fully considered the potential effects of their decisions on women, ethnic minorities and disabled people, and that any decisions with an effect on these groups could be justified” as mentioned in the review entitled “Making fair financial decisions: An assessment of HM Treasury’s 2010 Spending Review”. Taking a different focus relating to children’s rights, The Estonian Chancellor of Justice and the Basque and Catalanian Ombudsmen in Spain have supervised reviews regarding the effects of their economic crisis and austerity budgets on children, with specific reference to child poverty. Furthermore, the Spanish Ombudsman has presented to the senate a compilation of proposals for addressing abuses against low-income mortgage holders, based on complaints received from people facing evictions and with the aim of increasing protection for those at risk of poverty and social exclusion.

¹⁶<https://rm.coe.int/safeguarding-human-rights-in-times-of-economic-crisis-issue-paper-publ/1680908dfa>

However, despite the very beneficial efforts of the NHRs across Europe, the problem is not yet solved. Therefore, as it will be further analysed in the following part of the guide, solutions need to be found so that appropriate measures are taken. As far as NHRs are concerned, there are many opportunities for advancing the responses given to economic crises in order to assure that they are compliant to the fundamental human rights. Bearing in mind that these structures consist the core of the entire human rights protection system, the international community needs to find ways to empower these important structures in times of financial austerity so as to protect them and move one step forward when it comes to tackling the issue at hand.

POSSIBLE SOLUTIONS

It is crucial that we solve the issue but also preventing it from happening again. In order to eliminate unemployment, governments should be encouraged to pursue supply-side policies that focus on improving the structural long-term performance of an economy. Some examples for these policies include the state intervention in markets to prevent different types of market failure and the privatization of public transportation in order to create more work positions. Another way to eliminate unemployment and employ more workers is to give incentive to firms to hire more people by lowering the minimum wage. However, this is only a possibility and not what has to be done. But lowering the minimum wage at a time of an economic crisis is worth it because then the economy will grow again, and the minimum wage will increase. Furthermore, governments can use counter-cyclical policies in order to not jeopardize hard-fought gains in employment, education, healthcare, sanitation, and housing. Another possible solution is the Foreign Direct Investment (FDI), which is an investment made by a firm or individual in one country into business interests located in another country. Similar to this is also micro-credit; lending a small amount of money to impoverished people to help them become self-employed. It is also known as “microlending” or “microloan”.

Moreover, safeguarding human rights in times of an economic crisis requires carrying out systematic human rights screening of budget and fiscal policy. The term fiscal policy refers to a government’s spending and tax policies, that influence the demand of goods and services, employment, inflation etc. The implementation of the duty to maximize the availability of resources in order to fully realise the economic and social rights requires constant monitoring and oversight of the use of public money. The supervision of how public money is raised is very important, especially when a country is going through an economic crisis. The oversight of whom the spent of public money benefits is also vital. In times of an economic crisis

governments should spend public money on the needs of people, whose rights are being violated due to their financial status.

As previously mentioned, when it comes to economic crises, access to justice is often inadequate. Therefore, ensuring access to justice for all and maintaining the human rights protection system is crucial. The judiciary of a country and the availability of legal aid and national human rights structures are central to ensuring the rule of law, the regulation of public and private services and effective remedies in times of crisis.

BIBLIOGRAPHY

Anne Gulland, "Venezuela Crisis: UN Urged To Declare Humanitarian Emergency As Health System Collapses". The Telegraph, <https://www.telegraph.co.uk/global-health/climate-and-people/venezuela-crisis-un-urged-declare-humanitarian-emergency-health/>.

"BASIC SALARY | Meaning In The Cambridge English Dictionary", Dictionary.Cambridge. Org, <https://dictionary.cambridge.org/dictionary/english/basic-salary>.

Fescyprus.Org, https://www.fescyprus.org/fileadmin/user_upload/documents/CyprusEconomicCrisis_en_v03_DIGITAL__002_.pdf.

Chappelow, Jim. "Economic Growth Definition." *Investopedia*, Investopedia, 20 Aug. 2019, www.investopedia.com/terms/e/economicgrowth.asp.

Chappelow, Jim. "Gross National Product (GNP) Definition." *Investopedia*, Investopedia, 9 May 2019, www.investopedia.com/terms/g/gnp.asp.

Chappelow, Jim. "The ABC on GDP: All You Need to Know About Gross Domestic Product." *Investopedia*, Investopedia, 1 July 2019, www.investopedia.com/terms/g/gdp.asp.

Chen, James. "Inflation Definition." *Investopedia*, Investopedia, 15 Aug. 2019, www.investopedia.com/terms/i/inflation.asp.

Chen, James. "Poverty Trap Definition." *Investopedia*, Investopedia, 26 Apr. 2019, www.investopedia.com/terms/p/poverty-trap.asp.

"Greek Bailout Crisis In 300 Words". BBC News, <https://www.bbc.com/news/world-europe-45245969>.

"Greek Referendum: No Campaign Storms To Victory With 61.31% Of The Vote - As It Happened". The Guardian,
<https://www.theguardian.com/business/live/2015/jul/05/greeces-eurozone-future-in-the-balance-as-referendum-gets-under-way--eu-euro-bailout-live>.

Gunter, Joel. "The Greek Referendum Question Makes (Almost) No Sense." BBC News, BBC, www.bbc.com/news/world-europe-33311422.

"Human Rights and the Financial Crisis." OHCHR,
www.ohchr.org/EN/Issues/Development/Pages/PromotingHRbasedfinancialregulationmacroeconomicpolicies.aspx.

Kenton, Will. "Deflation." *Investopedia*, Investopedia, 28 Mar. 2019,
www.investopedia.com/terms/d/deflation.asp.

Lusiani, Nicholas, and Ignacio Saiz. *Safeguarding Human Rights in Times of Economic Crisis*. Council of Europe Commissioner for Human Rights, Nov. 2013,
rm.coe.int/safeguarding-human-rights-in-times-of-economic-crisis-issue-paper-publ/1680908dfa.

Ohchr.Org,
https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf.

"OHCHR | What Are Human Rights". Ohchr.Org,
<https://www.ohchr.org/EN/Issues/Pages/WhatareHumanRights.aspx>.

Unicef.Org,
https://www.unicef.org/socialpolicy/files/Bringing_Human_Rights_to_Bear_in_Times_of_Crisis.pdf.

"Relative vs Absolute Poverty: Defining Different Types of Poverty." *Habitat for Humanity GB*, 10 Sept. 2018, www.habitatforhumanity.org.uk/blog/2018/09/relative-absolute-poverty/.

Repository, Gchumanrights.org,
https://repository.gchumanrights.org/bitstream/handle/20.500.11825/60/Global%20article%20Ginsborg_1_2016.pdf?sequence=1&isAllowed=y.

Rm.Coe.Int, <https://rm.coe.int/safeguarding-human-rights-in-times-of-economic-crisis-issue-paper-publ/1680908dfa>.

"Unemployment Definition". Investopedia,
<https://www.investopedia.com/terms/u/unemployment.asp>.

"What Is Economic Crisis? Definition and Meaning." *BusinessDictionary.com*, WebFinance Inc, 2019, www.businessdictionary.com/definition/economic-crisis.html.