

Inquiry into the link between Aid and Human Rights

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**Submission by
APHEDA - Union Aid Abroad**

For Terms of Reference: www.aph.gov.au/house/committee/jfadt/HR_Aid

Executive Summary

APHEDA - Union Aid Abroad believes that human rights are universal, indivisible, interdependent and interrelated.

Fifty two years ago, On 10th December, 1948, the United Nations General Assembly adopted and proclaimed the Universal Declaration of Human Rights.

This is still an inspiring document which recognises “the inherent dignity and the equal and inalienable rights of all members of the human family as the foundation of freedom, justice and peace in the world.” Eleanor Roosevelt, Chair of the Commission which drew up the Declaration, called it the “Magna Carta for the human race”, and it remains an international benchmark against tyranny, brutality and authoritarianism.

AusAID has made commendable steps in recent years in working towards a rights based approach to development. Through ACFOA, many non government development agencies have done likewise. Some of the multilateral organisations, especially the World Bank, have even come to an appreciation of the link between human rights and development.

In this submission, APHEDA - Union Aid Abroad will examine five points relating to the link between aid and human rights.

i) A “Rights Based” framework for development

Respect for fundamental human rights should be the foundation for development work, and indeed for the wider economy. Without respect for human rights, many economists argue that economic growth is stunted and human development is impossible.

ii) Aid and Labour Rights

Fundamental rights of people include their rights in the workplace. These include the right to a just wage, to reasonable conditions of employment and the right to a safe workplace. They also include the right to a minimum age of employment (child labour) and to non-discrimination in the workplace. Central to rights in the workplace is the right to organise and bargain collectively, so that communities of workers can win further rights for themselves. These rights should be reflected in the Australian aid program.

iii) Aid and Debt Cancellation

Poverty is a denial of key fundamental economic rights of people, and one of the greatest causes of poverty in the world today is the debt trap in which many nations are caught. While debt cancellation for the world’s poorest countries, and redirecting these funds into health, education and infrastructure, will not solve global poverty, without these steps being taken, poverty can never be solved.

iv) Aid and Non-Government Development Agencies

APHEDA - Union Aid Abroad is recommending that, in keeping with recommendations in the Simons Report, an increased percentage of the government’s overseas aid budget be contracted through non government development agencies (NGDOs). NGDOs enable many in the wider Australian community to be involved in development work because of their links with such organisation, and NGDOs can also form special relationship of partnership with community organisations in developing countries.

v) Aid and Human Rights in Burma

The level of human rights abuses committed by the military regime in Burma warrants its treatment as a special case. Australia should take special steps and actively discourage all trade, investment, government –to-government contact, tourism etc with them.

1. About APHEDA – Union Aid Abroad

APHEDA – Union Aid Abroad is the overseas humanitarian aid agency of the ACTU. Founded in 1984, almost all Australian national unions and their state branches are members of APHEDA, as well as all State Labor Councils and many regional Labor Councils and several hundred individual union members.

APHEDA - Union Aid Abroad directly supports training projects in education, health and vocational skills training in developing countries. Many of APHEDA's projects are designed to strengthen community development and human rights including workers' rights, and to help communities organise around these important issues.

On behalf of Australian workers, APHEDA is helping skills training for disadvantaged workers and refugees in South East Asia, the Pacific, the Middle East and southern Africa. Last year, APHEDA – Union Aid Abroad assisted over 50 training projects undertaken with 42 separate project partners in 12 countries.

APHEDA - Union Aid Abroad's funding is provided by an annual grant from the ACTU, by sponsorship of overseas projects by many unions, by donations from many individual members of trade unions and by grants, won on a competitive basis, from AusAID.

APHEDA - Union Aid Abroad strongly believes in a rights-based approach to development, maintaining that if the rights of the local peoples, our project partners, their communities and individuals is not being strengthened in the development process, then it is false development.

APHEDA - Union Aid Abroad believes that there is a difference between economic growth and full human development.

APHEDA - Union Aid Abroad believes that poverty is a denial of many fundamental rights as well as an obstacle to achieving these rights. Hundreds of millions of people are denied their fundamental rights simply because they are poor. They are not only denied rights such as food, clothing and shelter, but usually have little voice to demand a say in their future, very little voice to protest government abuses often committed in the name of national security, and very little voice to organise against exploitation in the workplace. Poverty is not only a denial of rights, but also diminishes the opportunity to win many other fundamental rights.

APHEDA - Union Aid Abroad also believes that the Declaration on Human Rights is just as important and relevant today as it was when drawn up over 50 years ago. Born of the atrocities and killings of the Second World War, the document remains a set of principles to which all nations agreed in 1948 and reaffirmed in Vienna at the World Conference on Human Rights in 1993.

APHEDA - Union Aid Abroad also believes that with every right comes a corresponding responsibility. We have an obligation to not only respect the rights of others, but to be active in protecting our rights in Australia from attack and in helping others from our region, and those with whom we trade, to win their fundamental human dignity.

2. The link between aid and human rights

i) A “Rights Based” framework for development

Respect for human rights is essential for human development to be achieved. Respect for civil and political rights, including the right to elect a government by free and popular vote, allows those without power in society to have a voice in the direction of their country’s economic, social and political development. When citizens have the right to a genuine vote, then they can pressure their elected officials on issues such as increasing wage levels, and ensuring there is sufficient level of taxation paid by all to meet the requirements of health, education and infrastructure. They can also have a voice in the regulation of industries and control of pollution and in ensuring that economic decisions are made with social and cultural values in mind.

Respect for economic human rights is essential if the powerless in society, ordinary working men and women, are to enjoy their fair share of the economic growth they are creating through their work. Respect for human rights would overcome the problem of economic exclusion. Many workers in factories, mines and plantations in developing countries work for poor wages, under abysmal working conditions, with no social safety net and no legal protection. Respect for freedom of association would allow such workers to join together, to organise and to collectively bargain for better wages and working conditions. Respect for the right of non-discrimination on the grounds of gender, race, religious beliefs or ethnicity would help ensure that historically marginalised people enjoy the fruits of their labour on the same terms as other workers. The right to a minimum age of employment and the right to an education prohibits abusive child labour and requires employers to respect the rights of children. The prohibition on forced or slave labour requires employers to bargain with adults who are free agents.

Such a “rights based” approach to development would discourage transnational corporations and some governments from attempting to gain a comparative advantage in the global marketplace by suppressing workers’ right, or by suppressing society’s demands for a cleaner environment. Corporations and governments might still seek to lower wages and conditions, but they would not be able to do it through repression or inhumane means, so the “downward spiral” of wages and conditions would be significantly less.

A “rights based” approach to development would also ensure, through the right to freedom of speech, that there was an independent media – essential to cast the spotlight on excesses of a repressive or non-democratic government. It would also ensure an independent judiciary, essential for ensuring the rule of law rather than just the rule of the powerful.

A rights based approach would ensure that “good governance” had broader significance than just company law and acceptable accounting procedures, but would also ensure that even the poorest and least powerful in society could have a voice in their future and a stake in their economy. As Nobel Prize winning economist Amartya Sen teaches, abuses of human rights impede economic development, and unaccountable governments are more likely to indulge in corruption and misguided economic projects, and less likely to distribute the benefits of development to those most in need.

Recommendations:

APHEDA - Union Aid Abroad recommends that:-

- AusAID continue and increase its emphasis on linking human rights and development work for all areas of the aid budget, whether it be through multilateral, regional or bilateral country programs, especially for projects funded through for-profit, commercial companies.

ii) Aid and Labour Rights

It is important that the Australian aid program recognises that genuine, free and democratic trade unions in developing countries have a crucial role to play in development, both as a means of improving living standards and as a means of strengthening democracy.

As the UN Declaration of Human Rights, Articles 23 & 24 clearly demonstrate, workplace human rights or labour rights are an essential part of our wider human rights. Trade unions are needed to defend and enhance these labour rights, especially today as the deregulated global economy impacts on issues such as child labour, bonded labour, forced or slave labour, discrimination on race or gender, health and safety conditions in workplaces and poverty through low wages.

Trade unions play a central role in sustainable development in two ways. Firstly, trade unions enable working people to organise to achieve wage justice in developing countries, and these workers are then able to improve their living standards. Secondly, by strengthening civil society, trade unions are able to enhance human rights and democratic structures.

a) *Improving wages and living standards*

As the United Nations Development Program's Human Development Report for both 1999 and 2000 has stated, the gap between the world's richest and the poorest is now greater than at any time in history. World economic growth is historically high, yet the benefits of this growth are generally going to the rich and the strong, not the weak and the poor. Many workers in developing countries are even trapped in a downward spiral of wages and conditions – the “race to the bottom” - while for the unemployed, or those who can find only occasional, part-time work, life is even more difficult.

One way for workers in developing countries to win their fair share of this global economic growth and so enable their families to lead lives of dignity, free from want, is to strengthen their ability to organise and bargain collectively. By winning wage justice for each other, living standards can improve, and by winning better working conditions for each other, their quality of life can improve.

b) *Strengthening civil society*

APHEDA – Union Aid Abroad believes a diverse civil society is crucial for the development and maintenance of democratic rights, both nationally and internationally. Civil society includes all participatory organisations which aim to enhance the lives or wellbeing of their members or wider society and include trade unions, churches, human rights organisations, groups assisting the most marginalised and other community organisations.

Respect for all the basic rights which underpin a civil society is important. These include an independent judiciary, a free media, a democratic voice, the right to an education, health services and the other fundamental rights of people such as the right to assembly, freedom of expression and the right of workers to organise and to bargain collectively.

Recommendations:

APHEDA - Union Aid Abroad recommends that:-

- the Australian government, through AusAID, recognises the important role trade unions play in strengthening human rights, good governance and civil society, and include the defense of workplace human rights as one of their funding priority areas through the aid budget.
- the Australian government's ratify ILO Convention 182, the convention banning the most exploitative forms of child labour as a clear demonstration of its commitment to workplace human rights

iii) Aid and Debt Cancellation

Poverty is a denial of key fundamental economic rights of people, and one of the greatest causes of poverty in the world today is the debt trap in which many nations are caught. While debt cancellation for the world's poorest countries - and requiring redirection of funds to health, education and infrastructure - will not solve global poverty, without these steps being taken, poverty will definitely remain.

In 1970, the combined debt of all developing countries was \$US 85 billion. By 1980, this had risen to \$US 600 billion. Today, the combined debt is \$US 2,200 billion.

This means that in many developing countries, a child born today will already owe more money than they will ever earn in their lifetime. Today, there is a net transfer of wealth from the poor to the rich. In 1993, rich nations took back \$3 in debt repayment for every \$1 they gave in overseas aid.

Following the oil price rises of 1973 and 1978, western banks, flush with OPEC petrodollars, lent it on to developing countries.

Money was lent, often irresponsibly and often to corrupt military regimes throughout Asia, Africa and Latin America during the 1970s and 80s, and many of these loans were wasted on arms and military equipment, or on non-productive, uneconomical prestige projects. Some funds disappeared into Swiss bank accounts.

Interest rates rose steeply throughout the world during the late 1980s and early 1990s as western industrialised countries adopted tight monetary policies to fight inflation. As interest rates soared, so too did debt repayment levels.

Commodity prices also collapsed in the 1980s as developing countries tried to export more agricultural and mineral products to meet their growing debt repayments. This commodity oversupply on the world market is still keeping prices low today.

The burden of repaying this Third World Debt has fallen most heavily on the poor who were not responsible for accumulating it, who benefited least from it, and who are least able to repay the it.

Harsh International Monetary Fund requirements under their Structural Adjustment Programs usually require cuts to government spending to achieve a balanced budget, with health, education and social programs the first to suffer. This impacts greatly on the poorest who cannot afford private health or education.

- In the world's 37 poorest countries, spending per person has gone down 50% on health and 25% on education.
- In Tanzania, 40% of people die before the age of 35, but the government is required to spend nine times more on debt repayment than on health care, and four times as much on debt as on primary education. In Tanzanian schools, there is now just one desk for every seven pupils and each textbook is shared by four children.
- Nicaragua, recently devastated by hurricanes, still has to spend half its national budget in repaying debts to western banks.

- Mozambique, with an under 5 mortality rate of 214 deaths per 1,000 live births (Australia = 6 per 1,000) must spend 10 times more on debt interest payments than on health care.
- In Zambia, only 28% of children can attend secondary schooling, but the government must spend five times more on debt interest payments than on education.

The poorest 41 countries, which have an annual income per person of less than \$US700 (ie, \$US2 a day), owe a combined \$US 300 billion, and realistically, this debt can never be repaid. Interest rate charges are higher than their ability to repay, so even without new borrowings, their debt is growing and they are effectively bankrupt. While repayment of this debt is crushing these poorer countries, it is a relatively tiny amount for the much wealthier creditor governments, commercial banks and multilateral organisations of the industrialised countries to whom it is being repaid.

The Jubilee Australia campaign, of which APHEDA - Union Aid Abroad is an active member, proposes that the debts of the 52 poorest countries be cancelled as a one-off celebration of the millennium. The money which these countries would have used for debt repayment would have to be redirected instead to health and education.

The campaign also proposes a partial remission and rescheduling of debt for other countries where annual income per person is between \$US700 and \$US2,000.

Australia is owed little debt by the poorest nations, but we are represented on the IMF and the World Bank, and help to fund them. Australia can have a voice on these debt reduction measures.

APHEDA - Union Aid Abroad welcomes the governments \$65.5 million contribution to cancelling the multilateral debt of Ethiopia and Nicaragua on April 21st, 2000, but notes that these two countries will still have to continue paying the interest on their debts until they achieve HIPC Initiative relief status. We also note that the third country with significant debt owing to Australia, Vietnam, was not included in this debt cancellation initiative. Nepal, Bangladesh and the Philippines also owe bilateral debts to Australia.

Cancelling the backlog of Third World Debt won't solve all the world's problems, but it will achieve more for the world's poorest than almost any other step. It will give hope to billions, help redress the centuries of exploitation caused by colonisation, and will be a powerful statement that together, we can help create a more just world.

Recommendation:

APHEDA - Union Aid Abroad recommends that:-

- the Federal Government work to further reform the HIPC Initiative so as to make it easier for highly-indebted poor countries to meet the onerous conditions currently required to win debt relief status.
- Australia place all debt repayments by Ethiopia and Nicaragua in a trust to be returned to them as a form of development aid until they achieve HIPC debt relief status.
- Cancel the debt of the other four countries owing bilateral debts to Australia – Vietnam, Nepal, Bangladesh and the Philippines.

iv) Aid and Non-Government Development Agencies

In the last financial year (1999-2000) the Federal Government's overseas aid budget was \$1,502 million. Of this amount, \$80.7 million was directed to development projects run by Australian non-government development organisations (NGDOs). (Statement by the Minister for Foreign Affairs, Mr Alexander Downer, 11/5/99)

This means that just 5.37% of the overseas aid budget was spent through more than 60 NGDOs. It is interesting to note that three privately-owned, for profit, commercial consultancy companies were each given a greater share of the aid budget than all NGDOs combined. These are ACIL Australia, Sagric International and GRM International.

It is difficult to compare the efficiency and effectiveness of non government development and human rights organisations with the for-profit commercial companies, as information on these companies is commercial-in-confidence, and is therefore difficult to access. However there is ample evidence from the results of evaluations of the NGDO sector as all such information is freely available. All indications are that the NGDOs are highly efficient, effective and give value for money. (Review of the Effectiveness of NGO Programs – AusAID 1995). As such, perhaps they should be allocated a larger percentage of the aid budget.

Non Government Development Agencies, with their focus on human rights and strengthening civil society, have a second advantage over for-profit commercial companies in that most NGDOs have formed long-term relationships with their project partners, their partner community organisations in the developing countries where they work. This is a true partnership with an emphasis on sharing rather than just giving. We in Australia have much we can learn from these project partners such as their strong community ties, their ingenuity in coping with so few resources, the depth of their commitment to working for human rights, development and justice despite the far greater obstacles and risks they face, and their long and deep traditions and history.

In many cases, these overseas partner organisations are grassroots community organisations which represent some of the poorest and most marginalised people in developing countries. By directly assisting them through Australian NGDOs, the possibility of corruption or mismanagement at the government or bureaucratic level of a developing country can be minimised.

APHEDA - Union Aid Abroad also believes that a third advantage of non government development organisations is that they involve the wider Australian community in their development work. Many millions of Australian families are involved in non-government development agencies either as members, regular donors or occasional donors. By allocating an increased percentage of the government's aid budget through NGDOs, the government will be able to more fully involve the Australian public in AusAID's work.

Recommendation:

APHEDA - Union Aid Abroad recommends that:-

- the NGO windows within AusAID Country Programs be increased in both number and scope and that funding within these windows has a strong focus on human rights, good governance and strengthening of civil society.

Aid and Human Rights in Burma

APHEDA - Union Aid Abroad believes that Burma is a special case because of the level of human rights abuses committed by the military regime and their unwillingness to date to take responsibility for changing their practices. Therefore, Australia should take special steps to actively discourage all trade, investment, government-to-government contact, tourism etc with them.

Without a doubt, the Burmese military regime is one of the most repressive in the world. Their refusal to accept the overwhelming verdict of the voters when elections were held in 1990, and their continuing detention of many of those elected as Members of Parliament, including the continuing house arrest of Nobel Peace Prize winner, Aung San Suu Kyi is a cause of great concern.

Also of concern is the treatment by the Burmese military of their own people. As a result of military oppression, It is estimated that over 500,000 mainly ethnic people such as the Karen, Karenni, Shan, Mon Rohingya and the Chin people have been forced to flee their country and live as refugees in neighbouring Thailand, India and Bangladesh.

The incidence of forced or slave labour in Burma is another issue of concern. Forced relocation by the military authorities has resulted in hundreds of thousands of people living as internally displaced people (IDPs). An International Labour Organisation (ILO) Commission of Enquiry released in late 1998 condemned the military regime for extensive use of forced or slave labour, even involving children, on infrastructure projects such as the construction of roads, bridges and military bases and facilities. Forced labour is also used on private property owned by the ruling military elite.

As a further indication of the military regime's lack of respect for the rule of law, Burma's largest export is illicit drugs, with reported connections with the Burmese military. It is the world's largest producer and exporter of heroin, accounting for approximately 60% of the world's supply. This trade is inextricably associated with corrupt and illegal business arrangements domestically and internationally.

Of greatest concern is the fact that many western and Asian governments are only too ready to turn a blind eye to these human rights abuses, and are only too happy to assist and encourage companies to invest in Burma. Little serious action has been co-ordinated through the international community to bring about effective change in Burma.

Recommendation:

APHEDA - Union Aid Abroad is recommending that, in keeping with requests from the National League for Democracy, led by Aung San Suu Kyi, the Australian government:-

- cease all contact with the Burmese military regime,
- downgrade diplomatic relations with Burma
- closes all AusTRADE links with Burma
- ensures that no Australian company is given any taxpayers assistance in establishing or maintaining investments in Burma
- ensures that any Australian company investing in Burma be obliged to observe human rights standards, including core labour standards, in their operations in Burma
- ensure that government aid to Burma is spent on humanitarian assistance for refugees living outside the country so as to remove any possibility of the Burmese government profiting from that aid
- undertake an evaluation of the AusAID human rights training program with the Burmese government, and if there is no evidence of an improvement in human rights practices by the military regime, that such training cease.

3. Conclusion

While the links between aid and human rights in the Australian government's overseas aid program are better than in some other industrialised countries, there is still room for improvement in ensuring our overseas development assistance is rights based, is sensitive to both the needs and desires of the people in developing countries, not just their political leaders, and is working in partnership with those who are poorest, the most marginalised or those with the least voice in their own future.

A rights based attitude in the aid program is increasingly important in a global economy which pays scant heed to human rights, social impact, cultural devaluation or environmental destruction.

Three positive steps which could be taken to further ensure our overseas aid program is rights based would be:

- to place a greater emphasis on the right of workers in developing countries to organise and bargain collectively as a fundamental human right;
- to work even more urgently for the debt cancellation of the world's poorest countries; and
- to ensure a greater proportion of the overseas aid budget is delivered through community organisations which represent the Australian people, not just one or two shareholders.