

Oxfam staff responding to COVID-19 in the Gaza Strip receive hygiene and protective gear items that will be distributed in quarantine centres. Photo: Sami Alhaw/Oxfam



EXECUTIVE SUMMARY

RESPONDING TO NEW GLOBAL REALITIES:

An Agenda for the New Irish Government and Oireachtas

INTRODUCTION

The COVID-19 crisis has created a new world. Ireland is being challenged to define its role and place in this new world. We are all familiar with the enormous challenges faced by Ireland in responding to the COVID-19 crisis. The situation in poorer countries is even more daunting, where COVID-19 has the potential to have a devastating impact, as access to healthcare and social protection mechanisms are already extremely limited. In addition to causing loss of life and unprecedented human suffering, COVID-19 will exacerbate existing inequalities between rich and poor and men and women. In providing solutions to COVID-19 we must not forget the <u>Sustainable Development Goals</u>. Even in times of COVID-19, politicians must not lose sight of their other responsibilities on human rights and environmental protection. During the pandemic, the climate crisis has taken the back seat. However, in many ways COVID-19 is a dress rehearsal for climate breakdown, pointing to the need for decisive and collective action that is just, sustainable and based on feminist principles. A just approach to tackle underlying multiple inequalities. A sustainable approach to ensure that we live within planetary boundaries. And a feminist approach to challenge patriarchal structures and put women's leadership front and centre.

To date, Ireland has played an important role in contributing to the international response to COVID-19. We particularly welcome the Irish Government's announcement of €10 million in funding to the UN's Global Humanitarian Response Plan to the virus, and are grateful for the ongoing support through Irish Aid in responding to this crisis. However, the scale and complexity of this crisis is unprecedented. If we don't take more urgent preventative measures now and on an unprecedented scale, this could easily become the biggest humanitarian crisis the world has seen since World War Two. The devastation will not end there. All over the world, the virus is having a major financial impact as governments shut down economies to try to stop the spread of the disease. The United Nations Development Programme (UNDP) has estimated that nearly half the jobs in Africa could be lost. Women workers will be among the hardest hit, as they are more likely to be engaged in informal and precarious work. Unless dramatic action is taken to shore up the economies of developing countries, the crisis could push as many as half a billion people into poverty, and set the fight against poverty back by a decade, and in some cases by as much as 30 years.

This crisis risks heavily impacting food value chains, causing immediate concerns for food and nutrition security in developing countries. Additionally, the pandemic occurs in a context of growing erosion of human rights and the virus is making it worse. Extraordinary measures are necessary to stop the spread of the disease, but they must be balanced by extraordinary protections. Emergency measures to combat the pandemic must be proportionate and based on health needs, and remain in place only for as long as is necessary.

The pandemic has forced us to reconsider what is essential to keeping our economies and societies functioning. It is also emphasising the important role of unpaid care. Irish women spend 38 million hours a week on unpaid care work, contributing at least €24 billion to the economy every year – the equivalent of 12.3 per cent of the entire annual Irish economy. The crisis is also highlighting the important role of low-wage workers in terms of the provision of essential goods and services. Most importantly it is emphasising the hugely important role women play in our economy, despite the unequal rewards and recognition they receive. If not all heroes wear capes in this crisis, most cape-less heroes are women – their voices and considerations should now become central to how we plan for the future.

The response to the COVID-19 crisis has also shown the incredible power of solidarity and collective action. We can rebuild a better world. A fairer world. A more sustainable world. This is the new global reality facing the incoming Government and Oireachtas. If Ireland is to fulfil the ambition to increase Ireland's international influence as set out in <u>Global Ireland</u> and <u>A Better World</u>, it must be through contributing to a fairer, more peaceful and sustainable world. It is understandable that Irish leaders are focused on tackling this crisis in Ireland, yet it is to be welcomed that they have found the space to support poorer nations. We call on all members of the new Oireachtas, but especially political leaders and the new Government, to use their position to ensure that Ireland's contribution to the international response to COVID-19 continues to extend to the most vulnerable countries. We also call on the new Oireachtas to continue to uphold their commitments and responsibilities to human rights and environmental protection under the Sustainable Development Goals.

We call on the new government and the Parliament to concentrate on the following areas:

RESOURCE POOR COUNTRIES' DEVELOPMENT NEEDS IN A CHANGED WORLD

- Achieve cross-party support for a realistic published road map on overseas development aid (ODA) that will show a genuine commitment towards reaching 0.7% of Gross National Income in line with our international commitments.
- At a minimum maintain, and preferably increase, our existing aid investment as recommended by the OECD's DAC review in the short term and ensure that NGOs have effective and timely access to that funding both nationally and internationally.
- Support the cancellation of <u>all</u> developing country debts due to be paid in 2020 and 2021 and ensure that new emergency funding is provided by means of grants not loans.
- Ensure that EU adequately responds to the short- and long-term development needs of poorer countries, including ensuring that the level of resources under Heading VI ("Neighbourhood & the World") is maintained at no less than 10 percent of the overall Multiannual Financial Framework (MFF) in the EU.
- Support initiatives aimed at **creating additional finance flows** including the issuing of Special Drawing Rights (SDRs) as once off global stimulus.
- Maintain Ireland's commitment to development effectiveness by implementing the recommendations of the OECD DAC review of Ireland's ODA programme in full.

2. SUPPORT SYSTEM CHANGE IN HEALTHCARE, FOOD PRODUCTION AND PROTECTION OF THE VULNERABLE

- Support the development of an effective Global Public Health Plan and Emergency Response to tackle COVID-19 head on, including scaling up investments in public health promotion and communication, community engagement and education, and in access to water and sanitation, especially handwashing, as well as free testing for all. Advocate for and support the recruitment of ten million health workers.
- Ensure Ireland's ODA supports the move to universal public healthcare in low-income countries to help ensure that everyone on has access to healthcare and that humanity is prepared for future outbreaks.
- Advocate for the development of a global agreement that vaccines and treatments, when approved for use, will be a global public good, available to all who need it free of charge and that rich countries will provide enough funding to make it available rapidly to the whole of humanity.
- Maintain and increase Ireland's ODA support for agriculture and food security, while promoting the functioning of food supply chains, with a view to strengthening food security and resilience against shocks in the short and medium term, especially due to climate breakdown.

- Support efforts to implement a global ceasefire in armed conflicts that lay the foundation for long-term peace in the future.
- Ensure that both ODA monies and diplomatic missions are used to promote fundamental freedoms and strengthen civic and political space, ensuring measures needed for the pandemic control are proportionate, timebound and non-discriminatory.
- Recognise the crucial roles that women and women-led organisations will play in delivering the response to the COVID- 19 crisis and to development work in general and work in partnership with them.
- Support and protect vulnerable populations, especially migrants and refugees, including by amending the overly restrictive nature of Ireland's current family reunification legislation and fulfilling our commitment to bring unaccompanied minors being held on the Greek Islands to safety in Ireland.

3. BUILD A MORE SUSTAINABLE AND JUST WORLD

- Reform the 'care system'.
- Bail out businesses responsibly. Priority must be given to supporting small businesses that have the least ability to cope with the crisis. Any public support for large corporations should be conditional on measures that uphold the interests of workers, farmers and taxpayers and build a sustainable future.
- Support the EC COVID-19 Rescue Package.
- Reform the corporate tax system.
- Pass mandatory human rights and environmental due diligence legislation in Ireland and support the efforts to pass such legislation at the EU level.
- Reform the EU macroeconomic framework.
- Implement faster and fair climate action as set out by the <u>One Future</u> <u>Campaign</u>, including reducing Ireland's greenhouse emissions by at 8% a year in line with Ireland's Paris Agreement commitments.
- Help poorer countries to cope with the climate emergency by reaching the target of spending 20% of ODA on climate finance by 2025. Increased ODA spending on climate finance should receive an additional budgetary allocation rather than being diverted from the existing ODA budget.
- Support the development of the Circular Economy as set out in the government's Climate Action Plan.

RESOURCE POOR COUNTRIES' DEVELOPMENT NEEDS IN A CHANGED WORLD

A key lever for Ireland to help address the COVID-19 crisis and contribute to a fairer, more peaceful and sustainable world is our Overseas Development Aid (ODA) programme. Ireland has committed to spend 0.7 per cent of national income on ODA for a number of decades. However, given the scale of the challenges facing low-income countries we are calling on the next government to reach this commitment within its lifetime, in 2025. While welcome increases in ODA spending have happened in the last few years, the current ODA contribution still leaves Ireland a long way from reaching the 0.7 per cent pledge. Given the ECB's commitment to guarantee cheap credit through sovereign bond purchases, 'responsible financial management' needs to concentrate on stimulating a just recovery. Reducing aid budgets would be not only be inexcusable, but also self-defeating, because if poor countries aren't able to control the spread of COVID-19, the virus could circle back to rich countries.

The review of Irish Aid by the Joint Committee on Foreign Affairs and Trade in 2018 demonstrated cross-party support for restoring Ireland's ODA budget and called for a multiannual plan to increase the aid budget on an incremental, phased basis. The Government should also commit to replicating the progress in other EU Member States to protect the aid budget by legislating for 0.7 per cent and take steps to ensure that Irish Aid is appropriately resourced to oversee and manage these funds effectively. At a minimum Ireland should maintain, and preferably increase, our existing aid investment the short term. Most importantly, Ireland's financial assistance in response to the pandemic must be additional, so as not to divert existing aid budgets away from other pressing humanitarian and development needs. Alongside quantity, the quality of aid is key. The next Government should build on Irish Aid's effective aid approach by committing to implementing the recommendations of the OECD's Development Assistance Committee review of Irish Aid in full. Ireland must also advocate for the protection and integrity of aid in multilateral instruments and defend principled EU development cooperation that maintains integrity, accountability and a development focus. With Ireland channelling over 25 per cent of ODA through EU institutions, it is essential that any changes to the MFF maintain the level of spending ODA (Heading VI ("Neighbourhood & the World") at 10 per cent of the overall MFF budget and that it is used for its intended purposes to alleviate poverty and reduce vulnerability.

By committing to increase its aid budget while maintaining effective aid principles Ireland will be in a stronger position to influence other donors as to the need for massively increased international aid funds to help poor countries face the crisis. The UN is calling for \$500 billion in aid to help low and middle income countries face the pandemic. Oxfam has calculated that OECD DAC donor countries' fair share of this response would amount to nearly \$300 billion – this fair share is just 6 per cent of what the world's richest countries have pledged for domestically-focused economic packages and also less than the combined wealth of the world's three richest men. A key start will be to immediately fully fund the \$6.7 billion UN Humanitarian Response Plan, and plan for a massive scaling up of global humanitarian efforts as the virus starts to impact the poorest countries. Donors and multilateral institutions should also rapidly scale up other aid.

As well as increasing ODA budgets, all bilateral and multilateral donors need to agree to an immediate <u>moratorium on debt interest payments</u> for poor country governments without conditions. Cancelling debt payments is the fastest way to keep money in countries and to free up resources to tackle the urgent health, social and economic crises resulting from the global pandemic. A total of 46 countries were spending on average <u>four times more money on paying debts than they were on public health services at the beginning of 2020</u>, when COVID 19 was spreading. The IMF must not impose conditions to this exceptional debt moratorium, must help to assess the debt situation, clear obstacles for these measures and ensure that agreements involve all parties in good faith.

This injection of finance must be done in ways that underpin a new social contract and that radically reduce inequality The United Nations Conference on Trade and Development (UNCTAD) has called for \$2.5 trillion to rescue the economies of developing countries. This would be made up of \$1 trillion in debt relief, \$1 trillion in additional liquidity mobilised through SDRs and \$500 billion in aid to support developing country health systems. Only investments of this scale will stave off a global depression that will cost the world far more economically and will cause huge suffering.

SUPPORT SYSTEM CHANGE IN HEALTHCARE, FOOD PRODUCTION AND PROTECTION OF THE VULNERABLE

To be effective in the short and long term, the response to the health crisis as a result of the spread of COVID-19 will need to be globally coordinated and locally led. There is an obvious need to prioritise prevention measures, health, social protection and food security in order to save lives and limit the outbreak and its economic impacts. While respecting principles for quality assistance, such as supporting locally led responses Ireland should give priority to humanitarian aid. According to the WHO, at least half the world's 7.6 billion people cannot access the essential healthcare they need even in normal times. In low-income countries, the disease burden is already far higher than in rich nations. In poor countries, health systems are not able to cope with COVID 19 and urgent action is needed to save lives, including doubling health spending through a Global Public Health Plan and Emergency Response. A coordinated and massive investment in public health is desperately needed now if we are to stop the spread of this deadly virus and prevent millions of deaths. It would cost approximately \$159 billion to double the public health spending of all of world's 85 poorest countries. This money should be used to ensure health systems have the capacity to treat, test and trace contacts properly – providing free testing and healthcare for the poorest people.

Moreover, containing the virus in poorer countries provides huge challenges. In 42 countries, mostly in sub-Saharan Africa, less than half of the population has access to basic handwashing facilities such as soap and water in their homes. Social distancing is also not an option for the 880 million people who live in overcrowded slums. With the increase in care work resulting from children being out of school and the need to care for sick relatives, many women will likely have to give up paid work to focus on unpaid care tasks, bearing the brunt of the impact. Ireland should support actions to shore up public health systems in poorer countries now and for the long-term, making them fair and accessible to all and saving millions of lives. According to Oxfam's report 'How to confront the coronavirus catastrophe', this should be done through prevention, recruitment of more health workers, establishing free healthcare, requisitioning private health care facilities, and ensuring that vaccines are a public good.

There is also a need to prevent countries slipping into food insecurity as a result of reduced income, agricultural production and increases in food prices. In 53 countries around the world, 113 million people are already suffering from acute hunger. Millions more are currently at risk of going hungry due to swarms of locusts sweeping across East Africa and devastating crops. The impact of the pandemic could increase the number of people at risk of food insecurity and malnutrition in West Africa from 17 million people to 50 million people between June and August 2020. Protecting food security and implementing policies and support programmes that promote agricultural development must be supported, while taking into account the challenges of climate breakdown.

If COVID-19 hits rural areas hard, the impact on food production could be substantial. Ireland should support efforts to maintain food availability by ensuring food can move from the countryside, and from ports to urban centres, and avoid harmful actions like export restrictions and tying food to national food producers. Countries imposing export restrictions or hindering the flow of food in response to COVID-19 risk creating price volatility and other adverse impacts especially on countries already food-deficit. Ireland should also invest in social protection programmes to meet people's immediate food needs especially for women, dislocated workers, people with a disability and older people who are vulnerable due to the pandemic.

It is fundamentally important that the immediate response to COVID-19 must not exacerbate the many other vulnerabilities faced by low-income populations nor divert efforts to address the many structural issues that have made low-income countries so vulnerable to a global pandemic like COVID-19. From suspension of parliamentary oversight in some countries to the excessive use of force by security bodies and increased surveillance of citizens, Oxfam is alarmed that emergency measures undertaken in response to the pandemic are being used by opportunistic governments to repress those with opposing views and manipulate the sociopolitical environment. Donors like Ireland must protect humanitarian access and work to ensure that

governments do not use emergency measures and special legislation as a tactic to criminalise civil society organisations (CSOs), humanitarian actors and human rights defenders, and obstruct their legitimate work.

The prospects are particularly bleak in conflict-affected zones and for forcibly displaced people and refugees. The equation is simple: we cannot effectively respond to a global pandemic when millions of people are still caught in warzones. There is an immediate need for a global ceasefire with intensive diplomatic efforts needed to make that ceasefire a reality. Ireland's potential election to the UN Security Council provides a unique opportunity to progress this, as does Ireland's long-term commitment to Women Peace and Security (WPS). The new Government can show leadership in supporting refugees by adding International Protection (Family Reunification) Amendment Bill 2017 to the list of bills being re-submitted to the Dail and progressed by the new Government. Family reunification offers refugees the best chance to rebuild their lives in Ireland on firm footing – with their family by their side. Ireland on firm footing – with their family by their side. Ireland should also fulfil its commitment to take up to take a portion of the unaccompanied minor children being held on the Greek Islands. This welcome commitment builds on the leadership Ireland has shown in the EU in relation to migration and refugees – having previously taken unaccompanied minors from France and from its participation in Operation Sophia search and rescue missions in the Mediterranean, where the Irish Navy rescued more than 18,000 people.

BUILD A MORE SUSTAINABLE AND JUST WORLD

A better future must be guided by universality, collaboration, human rights, interconnectedness and leaving noone behind. It must be based on the international framework of human rights and intergenerational cohesion to deliver income security, the best possible health, decent housing, safety, and enjoyment of rights for all. We need a major economic stimulus that underpins a new social contract between people, governments and the market, that radically reduces inequality, gender inequalities and lays the foundations for a just, equal and sustainable human economy that works for all throughout their lives.

With the current pandemic threatening to set the fight against poverty back by decades, we must seize this moment to save lives and repair the systems that made so many people vulnerable in the first place. This means truly putting equality at the centre of development in order to help the world recover from the crisis. The COVID-19 crisis is showing how deep and growing inequalities undermine our ability to face existential threats. It is also the time to support active citizens in holding their governments to account and for truly feminist aid that puts gender equality and women's rights at its heart. Aid that helps build a human and planet-centred economy that will keep the chance of limiting global heating to 1.5°C alive, is also critical.

The economic impact of the pandemic is likely to be highly unequal. An IMF study of major epidemics in this century found that income inequality increased and the employment prospects of those with only a basic education were sharply curtailed after the SARS (2003), H1N1 (2009), MERS (2012), Ebola (2014) and Zika (2016) outbreaks. Despite significant progress in reducing poverty in the last 20 years, recent evidence suggests that the pace of global poverty reduction is slowing. Over past decades there has been a shift in tax contributions from capital and wealth to labor and consumption – that means from the very wealthy and large companies to workers and families. In addition, the global corporate tax system is still unfairly biased against poor countries. It has prevented developing countries from collecting their fair share of corporate tax, reducing the revenue they have available to tackle poverty and inequality. As a result, too many countries have been falling short of public revenues and have made the choice to either put the burden on families and workers, or cut public investments that are now undermining their health or social protection capacity. The effective tax rate on the wealthiest 10 per cent in Latin America and the Caribbean region is close to 4.8 per cent only.

The global value chains of numerous businesses in Ireland and the EU often involve exploitative working conditions, including modern slavery and child labour; gender discrimination and violence; violations of trade union and workers' rights; corruption and tax evasion; toxic pollution and rampant destruction of forests; land-grabs and evictions of indigenous peoples and local communities; and violent attacks on human rights/environmental defenders. While frontline supermarket workers in Ireland have been rightly recognised as essential workers in relation to the COVID-19 crisis, the essential labour of workers who actually produce our food

through global value chains remain hidden. Although some businesses and financial institutions are already taking steps to meet their responsibility to respect human rights and the environment in their global operations, too many others are linked to serious abuses. At present, there is no legally binding business and human rights regulation to stop this exploitation and abuse. Voluntary measures have failed to prevent abuses and are simply not strong enough.

The climate crisis is the most pressing issue that we are faced with on the planet. It is affecting many of the communities with which Oxfam works - undermining their livelihoods through gradual, insidious changes in temperature and rainfall patterns, and increasing the frequency and/or intensity of hazards such as floods and droughts. Vulnerability to disaster and climate change matters because it perpetuates and deepens poverty and suffering. It stands in the way of people - particularly women - being able to enjoy their basic rights and reduces their chances of ever being able to attain them.

Ireland has been a laggard on climate action, with the Government dragging its heels and missing key targets. According to the UN, Ireland needs to reduce global emissions by 7.6 per cent a year, year-on-year, from now to 2030, to ensure it is compliant with commitments made in the Paris agreement to keep global warming to 1.5 per cent above current levels. To achieve this, it is important that Ireland implement's faster and fair climate action as set out by the One Future Campaign. As well as reducing carbon emissions at home, it is necessary for richer countries like Ireland to provide sufficient climate finance to ensure the countries most impacted by climate breakdown have adequate resources to implement necessary adaption measures. The Irish Government has committed to at least double the percentage of ODA spending on climate finance by 2030. Thus, to reach this target Ireland needs to spend about 20 per cent of its ODA budget on climate finance.

This crisis has highlighted that Ireland must reform the care system. Care work (paid and unpaid) in Ireland and around the world is highly gendered and undervalued in terms of pay and recognition. Provision of care services (e.g. childcare, care for the elderly) by the Irish State is relatively low, leaving households to provide these services themselves or to source them from the market, if they can pay. This issue has become even more acute due to the COVID-19 crisis. This can be addressed by ensuring significant extra investments in public services and social infrastructure are delivered, ensuring care workers employed or funded by State programmes are properly compensated to at least a living wage level, holding a referendum on Art. 41. 2 of the Constitution and delivering integrated changes in social and employment policies that support carers.

During the crisis, state support to businesses can take different forms. It ranges from tax /social contribution deferrals or carry-backs to state guaranteed loans, to temporary unemployment schemes and actual cash injections in the company. Priority must be given to supporting small businesses who have the least ability to cope with the crisis. Bailouts of big corporations should be conditional on measures to uphold the interests of workers, farmers and taxpayers and to build a sustainable future. These conditions should include agreeing to a moratorium on executive bonuses and all payments to shareholders for at least three years, demonstrating a commitment to cut their greenhouse gas emissions, accepting collective bargaining, instituting mandatory gender parity through quotas and commit to closing any gender pay gaps, honouring ongoing contracts with suppliers, publishing country by country financial activity reports, and agreeing to closing operations in tax havens.

It is impossible to develop long term solutions to global poverty and inequality so long as the current scale of corporate tax avoidance continues to drain financial resources from low-income countries – resources which should be used to provide essential services such as health and education. Oxfam Ireland recognises that Ireland has made some reforms to address corporate tax avoidance, however, these haven't gone far enough to address the scale of tax avoidance that is facilitated by Ireland's current corporate tax regime. A recent Oxfam review of the EU Tax Haven List in February 2020 established that royalty payments sent out of Ireland were equivalent to 22 per cent of the country's GDP in 2018. This is more royalties than are sent out of the rest of the EU combined and makes Ireland the world's number one royalties' provider. Corporate tax avoidance negatively impacts efforts to reduce global poverty reduction. The UN estimates that developing countries lose around \$100 billion annually

as a result of corporate tax avoidance every year. To combat the exploitation of Ireland's tax rules by companies, Ireland needs to agree a global minimum effective tax rate at a fair level, require that all large multi-national companies (MNCs) adhere to full and effective transparency, and review and reform Ireland's Double Taxation Treaties.

As in the last the financial crisis, the choices currently being made in the short-term at EU level will determine the policy choices open to the Irish Government in the aftermath of the pandemic. Ireland and the EU should learn from the mistakes made during the Euro crisis and urgently revise the EU's current economic governance framework. If countries are forced to take austerity measures again due to the EU's fiscal rules, recessions will be deepened and will last longer. The European Commission the COVID-19 crisis recovery package for the EU presented at the end of May includes a proposal for a new EU long-term budget of EUR 1.1 trillion and a EUR 750 billion recovery fund. The Commission has also suggested using new EU common taxes to fund the recovery. It is important that Ireland supports this proposal. In addition to the proposed environmental taxes and levies on large multinational and digital companies, the EU should also raise money by taxing the wealthiest individuals and speculative financial transactions. The new Irish Government should also advocate for development of a monitoring mechanism to ensure any new resources allocated to tackle COVID-19 benefit the most vulnerable parts of the economy, mutualisation debt issuance among the 19 eurozone Member States, support the transition to a zero-carbon economy, reform the EU's macroeconomic framework to advance a sustainable, fair and green economy, set an ambitious revision of the Non-Financial Reporting Directive in 2020, and prioritise investment in green technologies and R&D through public funds in the medium and long run.

Finally, Ireland should support the development of the circular economy, the concept which brings a holistic perspective to the lifespan of a product from design, material choice, sustainable production processes, product use, reuse and recycling. To help support the development of the circle economy in Ireland the next Government should create a Textiles Action Plan; offer support solutions to incentivise circular practices, especially involving social enterprises; develop design policy guidelines and insist on transparency in the textile chain and put in place and implement the Extended Producer Responsibility (EPR) framework.

CONCLUSION

The time is now for Ireland to cement its place in the world as a country at the forefront of combatting this pandemic, caring for the most vulnerable, and ensuring human rights across the world. With COVID-19 threatening to set the fight against poverty back by decades, we must seize this moment to save lives and repair the systems that made so many people vulnerable in the first place and create a new and better world that is just, sustainable and feminist.

For further information, <u>click here</u> to download the full *Responding to New Global Realities* briefing document.

FOR MORE DETAILS CONTACT

Policy and Advocacy team
Oxfam Ireland
IRL-campaigns@oxfam.org
2nd Floor Portview House
Thorncastle Street
Ringsend
Dublin 4

w: www.oxfamireland.org

f: www.facebook.com/oxfamireland