



NESRI

NATIONAL ECONOMIC
& SOCIAL RIGHTS INITIATIVE

Human Rights | Human Needs



Strengthen the Public Sector to Meet People's Needs: The Importance of Public Goods

Guided by the human rights principles of universality, equity, and the protection of public goods, NESRI along with seven collaborators and 40 endorsers submitted a report to the United Nations on economic and social rights in the United States. Our report calls on the U.S. government to strengthen the public sector in order to ensure that the core goods, services, and infrastructure necessary to meet people's fundamental needs are shared as public goods, rather than sold as commodities. This requires defunding market approaches that have failed to meet needs, providing equal access to public goods, and holding private corporations accountable for protecting human rights. We summarize our analysis below.

The Human Right to Education: preserve education as a public good and stop privatization where it exacerbates stratification and segregation. The U.S. education system is highly stratified, grounded in a competition-based achievement model that is increasingly pursued through privatization, while public schools suffer from underfunding, overcrowding, and forced closures. Public education funding is channeled toward privately-run charter schools, including those operated by for-profit companies. This exacerbates a two-tier system that leaves many disadvantaged children behind. It further undermines the fragile funding base of public schools, leading to the closure of public schools or their conversion into charters, and diverts public funds to prop up private businesses that lack accountability and are disconnected from the communities in which they are located. Evidence shows that charters use practices such as selecting top students and deterring higher-needs applicants by neglecting to offer special education services, language assistance, and free school lunches, and even by bullying and threatening students. Charters operated by private corporations have been found to intensify racial and economic segregation within an already stratified system. Furthermore, in some locations public schools have been put out to bid for private management contracts, relinquishing public control and reducing accountability to communities.

The Human Right to Health Care: replace the private insurance industry with a publicly financed and administered national health plan. The United States is the only high-income country with a highly commercialized, market-based health care system that relies predominantly on for-profit, private health insurance companies propped up by substantial public subsidies. The role of the insurance industry, coupled with for-profit hospitals and multinational drug companies, will be consolidated and expanded under the 2010 health reform law. Rather than transitioning to a social insurance model, the business model of health insurance will continue to make access to care contingent on a person's ability to pay rather than their health needs. Yet while the five largest insurers made a combined profit of \$12.2 billion in 2009, health care costs drive around 700,000 families into bankruptcy each year, even though three quarters of them are insured. The 2010 law also failed to increase the accountability of private, investor-owned hospitals, even though for-profit hospitals have been found to provide lower quality care, and less care to the poor, than non-profit and public facilities. Commercialized health

systems, where access depends on payment and service delivery reacts to market forces, have poorer health outcomes and use resources less efficiently than public systems, according to international evidence. This is confirmed by health outcomes in the United States, which improve once patients turn age 65 and start participating in the public Medicare program.

The Human Right to Housing: enact a moratorium on privatization and on foreclosures, and adopt sustainable and equitable development codes. U.S. housing policy is pursuing a complete privatization of public housing, coupled with a commercialization of housing needs. The trend toward converting public into private housing, outsourcing management of public housing to private contractors, and selling public land to private developers at discount rates has channeled public resources to private corporations, leaving low-income renters at their mercy. The few resources targeted at affordable housing assistance, such as Section 8 vouchers and subsidies for private housing developments, often contribute to displacing poor people by forcing them into the competitive, private housing market. The market-based treatment of housing as real estate has also driven unsustainable private development in new locations that lack services, food, and transportation. Low-income home owners as well as Section 8 renters have been displaced to speculative, sprawling developments at the edges of towns, incentivized by lax development codes. This has led to new patterns of racial segregation, with urban gentrification forcing people of color into suburbs that lack basic amenities. Areas without restrictions on such speculative developments have been hardest hit by the foreclosure crisis.

The Human Right to Work with Dignity: hold corporations accountable, adopt and enforce human rights-based employment regulations. Employment policies in the United States are largely market-driven and respond to the market dominance of large corporations that wield significant power in driving down wages and working conditions in the entire supply chain. People's needs are commoditized into demands for consumption, and their role as workers and producers is subordinated to that of consumers. The absence of public oversight in industries that systematically abuse workers' rights has precipitated the lowering of standards in the labor market as a whole. Evidence shows that the few existing legal protections against workplace violations are not adequately enforced. Another source of corporate power is the recognition of corporations as rightsholders under the legal doctrine of 'corporate personhood,' which has been used to defend companies against workers' rights cases. Workers' groups seek to counter this legal and policy bias by holding corporations accountable for violations of human rights, including through independently agreed and monitored codes of conduct based on human rights standards.

The Human Right to Social Security: end and reverse the privatization of social services and public utilities. The United States has increasingly privatized the administration and delivery of social services. Yet the \$1.5 billion business of using private contractors to manage the welfare program has led to a lack of public oversight, and the role of private companies in determining people's eligibility for benefits raises serious accountability questions. Processing delays and caseworker shortages have already harmed poor people. The push towards privatization and commercialization has also increased the populations' energy and water insecurity. Dependence on investor-owned water utilities is growing, with nearly 73 million people now receiving their water from a privately owned or privately-run utility. The negative impact of privatizing energy and water utilities includes price increases and higher disconnection and shut-off rates, which have culminated in a number of deaths.

Economic and Social Rights in the United States: Joint Report to the UN Human Rights Council, Universal Period Review, 2010

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Access the full report online: www.nesri.org/UPRRReportOnEconomic&SocialRights.pdf