Making the global economy work for human rights

Mary Robinson
UN Higher Commissioner for Human Rights

Coming to grips with the impact of an increasingly global economy on the enjoyment of human rights is no easy task. There has been too little research to assist our understanding of the role of globalization generally, and trade liberalization specifically, for good or ill, in the implementation of human rights standards.

Despite the lack of data, the links between trade, development, and human rights are increasingly plain to see—from the impact of open markets on jobs in developed countries to the implementation of labour and environmental standards in developing countries, from the question of trade-restrictive measures to protect public health to barriers to full participation by developing countries in the international economic system. These are just some of the difficult issues that must be addressed if we are to ensure that the global economy contributes to the realization of all human rights for all people.

Our point of departure should be that trade and economic growth are not ends in themselves. As the Director-General of the World Trade Organization, Mike Moore, has pointed out, the international trading system must contribute to better living standards and a safer world and the WTO should reflect the needs of all its members. The 1994 WTO Agreement incorporates the objectives of higher standards of living, steady growth of real income, full employment, and economic growth patterns compatible with sustainable develop-
ment. The Agreement’s preamble proclaims that even the least developed countries will share the benefits of global production and trade in goods.

The theme I want to develop in this chapter is that human rights are, indeed, inextricably linked with the international economic system. Human rights provide the common moral and legal underpinnings for the global economy. By integrating human rights standards into all aspects of economic policy-making, we will help ensure that markets are not only open and efficient, but also fair and just.

It should be recognized that human rights norms and standards are as relevant to the fields of international trade, finance, and investment as to any other area of human activity. The pursuit of equitable development and fair trade are legitimate human rights concerns. In this respect it is important to note that two trends happening in the world are of crucial importance because they both bring a new degree of urgency to addressing the need for the formulation of effective policies in the area of human rights, trade, and development. The first is the growing determination of the international community that human rights can and should play a central role in the lives of all people and that the mechanisms to deliver a strengthened set of human rights standards should work effectively. The second is the emerging interest that is being taken in improving international financial, trade, and development instruments so that they meet the needs of all of the people on the planet, including the poorest. Recognition of the link between human rights and the international economic system is indeed timely.

**Human rights and a rules-based society**

The legal regimes of trade and human rights have developed more or less independently from one another. The same can be said of international development strategies. What has not been fully appreciated is that their goals are mutually reinforcing. Many of the prin-
ciples enunciated in the Universal Declaration of Human Rights and the body of international legal instruments that have been developed over the past 50 years involve the creation of a stable, rule-based society necessary for economic growth. Applying human rights principles thoroughly and consistently contributes to the development of legal systems in which contracts are enforced fairly, bribery and corruption are less prevalent, and all business entities have equal access to legal process and equal protection under law.

The WTO establishes the legally binding rules for international commerce in goods, services, and intellectual property rights at both the national and international level. Indeed, one of the frequently stated objectives of WTO member governments is for the rules-based trading system to bring stability and predictability to world commerce, as well as to improve access to markets through the progressive liberalization of world trade. Few would argue with the proposition that the WTO—and the General Agreement on Tariffs and Trade before it—have been remarkably successful in this area. However, here too there is a mutuality of interests to be served.

From both an economic and a social perspective, stable and rules-based societies constitute a necessary condition for sustainable development, a well-functioning world economy, and an international trading system. There is certainly a mutuality of interests between the international trading community and those of us whose primary concern is ensuring the implementation of international human rights law. Yet the reality is that, whereas the rules that favour the expansion of the global economy have become stronger and more enforceable, equally important rules relating to human rights as well as environmental and labour standards have not kept pace in terms of their implementation. This has been at the heart of the “backlash against globalization” that UN Secretary-General Kofi Annan has described so compellingly in chapter 1 of this volume. The question for us now to answer is how the right balance can be struck. How can we make the globalization of human rights central to the global economy? By looking back, we may find a way forward.
Human rights and the international economic system

A vital impetus for the strengthening of human rights came out of the horrors of the conflict of the Second World War. It was a determination that a better way must be found to protect the individual and to forestall a repetition of the terrible violations that had taken place. The great achievement of that post-war period was the Universal Declaration of Human Rights, a seminal document, adopted by the UN General Assembly in 1948. Starting from the powerful statement that all human beings are born free and equal in dignity and rights, the Universal Declaration sets out in its 30 Articles the fundamental freedoms to which all of us are entitled, simply by virtue of being human.  

During the past decade the emphasis has shifted from standard-setting to improving the implementation of human rights. A strong push to the effort was given with the holding of the World Conference on Human Rights in Vienna in 1993. One of the decisions of that Conference was to create the position that I now hold, that of High Commissioner for Human Rights, as part of moves to strengthen human rights mechanisms within the United Nations system. The mandate of the High Commissioner includes coordinating all of the United Nations' human rights activities and improving their impact and overall efficiency.

Since being appointed High Commissioner I have sought to focus greater attention on economic, social, and cultural rights because I believe that the achievement of these rights is every bit as important as securing civil and political rights. The cornerstone of economic, social, and cultural rights is Article 22 of the Universal Declaration, which states that, as a member of society, everyone is entitled to the realization of the economic, social, and cultural rights that are indispensable for his or her dignity and free and full personal development. The five Articles that follow elaborate economic rights related to work, fair remuneration, and leisure, an adequate standard of living, health, well-being, and education, and the right to participate in the cultural life of the community. It should be emphasized that the intention was there from the start that these rights would
be secured. It is not by accident that the drafters of the Universal Declaration incorporated economic, social, and cultural rights in their deliberations and in their final text.

The post-war efforts to build a better international architecture were not confined to human rights and world government but also foresaw the need to set up regulatory mechanisms to bring order to the international economic system. That was the rationale behind the establishment of the Bretton Woods institutions, which were designed to provide stability in international finances and to assist the poorest countries to put their economies on a par with those in the developed world.

The design of the post-war international economic system was based on the idea (which Peter Sutherland and John Sewell refer to in chapter 5 as the “logic of 1945”) that, in return for economic liberalization at the international level, national governments would provide for the social welfare needs of their citizens. The rules of the General Agreement on Tariffs and Trade (GATT) were to facilitate countries in their trade and economic endeavours, thereby “raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding production and exchange of goods . . . . [through] mutually advantageous arrangements directed to the substantial reduction of tariffs and other barriers to trade and the elimination of discriminatory treatment in international commerce.” Whereas these rules were to deal with the economic aspects of the process of development through multilateral cooperation in trade, the responsibilities for the social order were seen to be elsewhere.

For a long time this separation of the rules for international economic transactions, whether financial or in the area of trade, from the welfare of the individual was carefully maintained. The richer countries have certainly benefited over the past 50 years from the role played by the International Monetary Fund (IMF), the World Bank, and the GATT/WTO. Increases in trade and capital flows have led to very significant growth in productivity and jobs in Western countries. This has been accompanied by strong improvements in the indicators of human well-being such as life expectan-
cy, education, and nutrition. At the same time, some middle-income countries have seen their wealth and human development indicators draw closer to those of industrialized countries, as have a small number of developing countries.

Then there are the rest. The marginalized developing countries, far from sharing in the growth of wealth, have been bypassed along the way. The growth in real per capita income in the countries of sub-Saharan Africa from 1960 to 1995 was only US$28. The overall gap between the richest 20 per cent of humanity and the poorest 20 per cent doubled between 1940 and 1990. To give just one example: in 1976 Switzerland was 52 times richer than Mozambique; in 1997, it was 508 times richer. In our modern world, 3 billion people live on less than US$2 a day, 1.3 billion do not have clean water, and 40,000 children die every day because of hunger-related diseases. Although some of these statistics can be attributed to problems of governance, including corruption and mismanagement, it is clear that structural adjustment programmes, loan conditions, and external debt repayment schemes have not sufficiently considered the impacts of such programmes on the need to protect human rights. There are signs that this is now changing.

A new world: Global markets and global concern for human rights

In recent years, thanks in large part to one of the main features of globalization—the information and communications technology revolution—global concern for human rights has led to global concern at the negative human impact of some economic policies. The historic separation between the economic and the social has been brought into question. These developments have led many to urge that the human impact of policies and actions be considered as an integral part of policy formulation and implementation.

As Joseph Stiglitz, former Vice President of the World Bank, has noted, past development strategies failed because they focused on only one part of the problem and failed to take into account the broader context. Most focused narrowly on economics, aiming at
increasing GDP per capita—perhaps through trade liberalization negotiated in the context of GATT and WTO negotiations—and confusing means with ends and cause with effect. They dealt with technical problems and proposed technical solutions: better planning, better trade and pricing policies, better macroeconomic frameworks. They dealt with “means”—in other words, low inflation—but did not focus on “ends”—that is, the human welfare of those concerned.

It is heartening that the World Bank—one of the most influential international organizations—is today looking objectively at its development experience in this way. I believe that this careful scrutiny is fully justified, given that 50 years of expenditure on development has, in many cases, failed to produce the desired results, and for reasons that cannot be simply attributed to external factors such as natural or man-made disasters or economic mismanagement.

The IMF has earned respect for maintaining orderly exchange rates over the years, but it has also been criticized for lack of openness and, perhaps more important, for not paying sufficient attention to the disadvantage at which very poor countries are placed in the world economy. As with the World Bank, there are encouraging signs of a greater readiness on the part of the Fund to think hard about its own role—to “examine its conscience” as it were. The IMF should listen to civil society, and to the non-governmental organizations in particular, which have valid arguments to make about the human impact of strict fiscal policies on poor countries. It should be noted that the former Managing Director of the IMF, Michel Camdessus, urged that more must be done to develop policies that will promote growth, sustainable development, and poverty reduction. He called as well for a reduction in military spending, for higher spending on social welfare, and for increased aid flows. The proof will be when organizations such as the World Bank implement on the ground policies that are really designed in such a way as to secure economic, social, and cultural rights and the right to development.

Where does the work of the WTO come into this picture? How can it ensure that human rights are taken into account? The UN Committee on Economic, Social and Cultural Rights, in its task of
monitoring compliance by States Parties with their obligations under the International Covenant on Economic, Social and Cultural Rights, has become increasingly aware of the extent to which international economic policies and practices affect the ability of states to fulfil their treaty obligations. In a message to the WTO Ministerial Meeting in 1999, the Committee endorsed the call from the United Nations Sub-Commission on the Promotion and Protection of Human Rights in its resolution 1999/30 of 26 August 1999 for steps to be taken “to ensure that human rights principles and obligations are fully integrated in future negotiations in the World Trade Organization,” and for proper study to be undertaken of the “human rights and social impacts of economic liberalization programmes, policies and laws.”

GATT Article XX is often referred to when the links between trade and human rights law are made. Article XX provides that nothing in GATT should prevent the adoption or enforcement of measures “to protect human, animal or plant life or health” or the “conservation of exhaustible natural resources.” In fact, for the first time in its six-year history, a WTO panel recently upheld trade-restrictive measures in the interest of protecting health in a case involving the import of asbestos. This case has shown that concerns related to human rights can be addressed within the WTO.

The WTO has also advanced its Comprehensive and Integrated Plan of Action for Least Developed Countries, which includes duty-free access to the markets for the exports of least developed countries (LDCs) to a number of developed trading partners. That 47 LDCs account for less than 0.3 per cent of world trade (and that percentage is falling) should be considered as unacceptable to all members of the international community. In more general terms, the negotiations under the auspices of the WTO must work on effectively integrating developing countries into the world trading system so that they may enjoy the benefits of a liberal and rules-based multilateral trading system. There is need, too, for the WTO, as an instrument designed to improve the lives of people, to listen carefully to the concerns of civil society.
A rights-based approach to development

Human rights bring to the development and trade discussion a unifying set of standards—a common reference for setting objectives and assessing the impact of actions taken. The 1986 United Nations Declaration on the Right to Development was a major step forward in defining development from a human rights perspective. The Declaration states that “the human being is the central subject of development and should be the active participant and beneficiary of the right to development.” It also recognizes that “development is a comprehensive economic, social, cultural and political process which aims at the constant improvement of the well-being of the entire population and of all individuals on the basis of their active, free and meaningful participation in development and in the fair distribution of benefits resulting therefrom.”

In my Office we are approaching development issues within the context of the Declaration. We are working towards this end with our partner agencies in the UN system. The United Nations Development Assistance Framework has been established to overcome fragmentation and overlap in development efforts at the country level. We are also working with our partners at the United Nations Development Programme on a new joint initiative known as HURIST (Human Rights Strengthening programme). This initiative is intended to identify best practices and learning opportunities in the development of national capacity for the promotion and protection of human rights and to apply a human rights approach to development programming at the country level.

Some continue to argue that development is technical in nature and that the effectiveness of policies would be weakened if supposedly outside considerations were to be introduced. But economic policies, such as those relating to budget deficits, inflation, unemployment, and trade liberalization through the adoption of outward-oriented trade policies, have real and measurable impacts on the enjoyment of human rights, and those impacts must be taken into account.

A good illustration is the effect on children. In 1999 we commemorated the tenth anniversary of the adoption of the Convention on the Rights of the Child. Studies on the relationship between
macroeconomic policies and the enjoyment by children of their rights show that economic growth is important for child rights, but it is not enough. The policies behind that growth are just as important.

In the case of developing countries, a comparison of GDP per capita with measures of child welfare such as child mortality, education, and nutrition shows that countries with similar income levels are producing very different results in these areas. Those countries that achieve little in relation to their per capita GDP are generally characterized by inequalities in the distribution of income and very likely unequal access to resources.

The human rights vision of the United Nations is that all spheres of activity, international, regional, national, and local, should be inspired and influenced by the human rights norms elaborated at the United Nations. Development, as well as peace, should have in view the dignity of the individual and his or her rights. The International Covenant on Economic, Social and Cultural Rights requires states to pursue policies and strategies aimed at the realization, for every person on the planet, of the right to food, health, shelter, education, work, and social security. A globalizing world must never lose sight of these imperatives. A globalizing world that results in any departure from these human rights precepts is a world that is anti-people. We must never tolerate this.

The way forward

What can be done towards tangible progress in making the global economy help rather than hinder human rights? It is not beyond the capacity of the international community to devise strategies to help to secure economic, social, and cultural rights for all and to honour the often repeated pledges to support the right to development. The following suggestions provide an outline for how progress can be made if there is willingness and open-mindedness on the part of the international community.

- A commitment is needed to a rights-based approach to development that integrates the norms, standards, and principles of international human rights law into the plans, policies, and processes of devel-
development efforts at all levels. This means defining the objectives of
development and aid in terms of particular rights, as legally
enforceable entitlements, and creating express normative links to
international, regional, and national human rights instruments. It
requires raising the levels of accountability in the development
process by identifying claim-holders (and their entitlements) and
corresponding duty-holders (and their obligations). Thanks to the
work of our partners within the UN family such as the UN
Development Programme, we are taking important steps in this
direction, but we need governments and other international orga-
nizations to take the lead.

- **Human rights should permeate macroeconomic policies**, embracing fiscal
  policies, monetary policies, exchange rate policies, and trade poli-
  cies. To take the example of children again, one economist has
  noted that "[t]rade and exchange rate policies may have a larger
  impact on children’s development than the relative size of the
  budget allocated to health and education. An incompetent
  Central Bank can be more harmful to children than an incompe-
  tent Ministry of Education."\(^7\) The international economic institu-
  tions should lead the way. They must take greater account of the
  human dimension of their activities and the huge impact that eco-
  nomic policies can have on local economies, especially in our
  increasingly globalized world.

- **Debt relief should be a top priority.** More and more attention is
  focused these days on the crushing burden of debt faced by the
  poorest countries, a huge obstacle to their meeting economic chal-
  lenges and, hence, strengthening the human rights of their citizens.
  Initiatives to date aimed at providing relief to highly indebted poor
countries have been painfully slow. That is in spite of the clear evi-
dence that public opinion supports debt relief, as evidenced by the
activities of the many religious and humanitarian groups that have
come together in the Jubilee 2000 Coalition.

The IMF/World Bank HIPC (Heavily Indebted Poor Country)
initiative offers important assistance for certain heavily indebted
poor countries in reducing to more sustainable levels the external
debt burden of these countries. Its human rights promise comes
from its focus on ensuring additional finance for social sector programmes, primarily basic health and education, themselves basic human rights. In 1999, the G-8 nations agreed to “the Cologne Initiative,” a package of measures designed to reduce the debt burden of the 33 poorest countries of the world. These countries collectively owe US$127 billion to industrialized countries and institutions such as the IMF and the World Bank. Sceptics of debt relief have argued that previous measures did not filter through to ordinary citizens because the savings made were often diverted to wasteful or corrupt purposes. The Cologne Initiative requires debtor nations to show that they are using the benefits primarily for expenditure on education and health. But one year later, the promise of the Cologne Initiative has not been fulfilled. Debt relief for the most heavily indebted countries should be given the renewed political priority it deserves.

- The private sector must take a more active role in promoting and protecting human rights. Undoubtedly, the most powerful player in international economic relations is the business community. In fact, a great deal of international activity, be it via the World Trade Organization or the International Monetary Fund, is aimed at providing a stable environment for international economic exchanges. On an international level, corporations are indeed important. The largest 100 companies have combined annual revenues that exceed the GDP of half of the world’s nations.

Big corporations have the power to bring great benefits to poor communities, but they can cause great damage too—through degradation of the environment, exploitation of economically weak communities, or the use of child labour. In recent years there has been an increasing awareness on the part of business that it must face up to its responsibilities in the human rights field. The launch of the Secretary-General’s Global Compact initiative has the potential to make a significant impact on the international business community. By adopting good practices in the areas of human rights, labour, and environmental standards and by advocating effective global governance mechanisms, corporations will be doing their part to ensure that the global economic system meets the needs of all people. The
positive business response to this challenge should be welcomed, as should the willingness of trade unions and civil society organizations to engage directly with the United Nations in this new form of partnership and accountability.

Conclusion

The tide is running in favour of embedding a strong culture of human rights in the world. Making the global economy part of that culture will not happen without considerable effort and goodwill on the part of all of the actors involved. Although the role of international economic actors has been stressed here, we must not forget the responsibilities that governments are called on to discharge. There is a particular onus on governments to lead by example. The developed states should halt the downward slide in funding devoted to Official Development Assistance and make genuine moves to allow free access to their markets. The developing countries, for their part, should make sure that funds are not squandered on unproductive or wasteful projects.

Denial of the right to development puts all human rights at risk. Seeking to achieve economic, social, and cultural rights for all the peoples of the world, as well as their civil and political rights, is first and foremost our moral and legal obligation. But making human rights a reality is also our best hope for achieving the UN Charter’s goal of “social progress and better standards of living in larger freedom.”

Notes

1. Countries now frequently trade more than one-third of their national production. With close to 140 member governments, the WTO is approaching the status of a truly global institution. This means one-third of world production is traded according to legally enforceable WTO rules.
2. For further discussion of this issue, see the chapter 4 in this volume by Clare Short.
3. Those who drew up the Declaration knew that it was only the first step and that the process of defending human rights throughout the world would be long and difficult. The work was carried forward through the adoption of two
International Covenants, one on Civil and Political Rights, the other on Economic, Social and Cultural Rights. These two Covenants spell out in greater detail what the fundamental rights mean and how they are to be applied. A whole body of human rights law flowed from these basic texts—over 60 treaties addressing such issues as slavery, genocide, humanitarian law, the administration of justice, religious tolerance, discrimination, violence against women, and the status of refugees and minorities.

4. A good deal of progress has been made in improving human rights mechanisms. Implementation of the core human rights treaties is carried out by committees, or “treaty monitoring bodies,” which monitor the performance of governments on a regular basis, identify shortcomings, and recommend improvements. Special Rapporteurs are appointed to investigate human rights situations in particular countries. There are also Special Rapporteurs who pursue thematic mandates such as torture, religious intolerance, summary executions, and violence against women.


6. See chapter 3 in this volume by Rubens Ricupero.