



ECONOMICS AND HUMAN RIGHTS

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International economic law and human rights tend to be very poor bedfellows. Indeed, world indebtedness means less for the have-nots and more for the haves.

First, the policies of the World Bank and the IMF often violate the rights of poor countries in that these policies inhibit and even stall the growth of developing nations. Banks views Third World debt as an almost mythical moneymaking machine.

Pressure on the debtor countries and their people is increasing all the time, and the debts remain, growing ever larger. To enforce payment, the World Bank uses the IMF to impose adjustments.

As a condition for receiving new loan extensions to cover for defaults on interest payments, the IMF imposes strict economic conditions on countries, and forces debtor countries to cut their public expenditure, push up the price of food, and focus all their resources on the development of cash crops for export to earn the money needed to repay the debt.

The result of this pressure, imposed by the world's richest nations on the world's poorest, is ever-increasing unemployment, poverty, hunger, malnutrition, and for many, death. Debt repayment is a major problem for 44 severely indebted countries.

A similar role of imposition of policies by powerful bodies can be seen in the workings of the WTO. The establishment of the WTO represents a watershed in the process of establishing a truly global economic order and it is likely to exert a more profound influence over the course of human affairs than has any other institution in history.

There are three reasons that justify such an assessment. The first has to do with the ever-increasing importance of international trade to a global economy. Transnational corporations now control more than one third of worlds' productive assets, and the organization of their production and distribution systems has little to do with national or even regional boundaries.

Decisions about locating factories, sourcing materials, processing information or raising capital are made on a global basis, and a particular product may include components from several countries.

This explains why nearly 40% of all international trade takes within the same corporate family. Another measure of the growing dimensions of globally economic integration is the growth in international trade itself which according the most recent figures published by the WTO increased by a staggering 9 1/2 per cent in 1994.

The question of private party participation in WTO dispute settlement proceedings has been around since even before the organization's inception. Of course, private parties have been interested in international trade dispute resolution since GATT entered into force in 1948.

For many years, as GATT labored in obscurity, these disputes took place relatively anonymously. However, especially with disputes over trade embargoes imposed for environmental purposes and over phytosanitary standards that affect human consumption of agricultural products believed by some to be unsafe, international trade dispute settlement became increasingly interesting to NGOs and members of the public.

The public like never before is now scrutinizing it. The environmental NGOs, in particular, have called for greater access to, and increased transparency of, the litigation process. As presented in a number of recent papers, there are valid arguments on both sides of the debate.

Those calling for increased access argue that for the decisions that emerge from this body to be viewed as representative, authoritative and fair, the WTO must provide mechanisms for expanded public participation.

This concern is raised most often where disputes involve non-trade policies embedded in trade regulations, such as import restrictions to enforce environmental standards.

NGOs question the WTO's ability to make the right decision in such disputes without relying on their input. From an NGO perspective, if the system is to be perceived as fair, those with an interest in the outcome of a dispute should have an opportunity to be part of the process, and the system must operate in a way that does not seem to systematically give an advantage to a particular normative point of view (i.e., that import prohibitions are to be condemned unless they fall within a narrow set of exceptions).

It is hard to know how much power lies with the world's transnational corporations (TNCs). Because of their size, they have become major world players: sales can exceed the gross domestic product (GDP) of countries. General Motors income exceeds the GDP of all sub-Saharan Africa combined. TNCs now control two thirds of all world trade and 80 per cent of foreign investment.

Some argue that TNCs are important to people in developing countries. The reality is very different. TNCs employ only three per cent of the world's labor force - and less than half of those employed are in the poorest regions of the world.

The need for governments to attract TNC investment has resulted in a sacrifice in the rights of working people in order to create the most attractive investment conditions. The immense buying power of TNCs results in domination of local markets and the shutting down of local firms.

The freedom to act without social responsibility has made TNCs the champions of global trade, without regulations. This lack of accountability and lack of respect for human rights has resulted in dangerous practices. Oil giant Shell has admitted supplying weapons for use by Nigeria's security forces against

protestors in Ogoniland, just as BP has openly funded military terror squads in Colombia for years. In West Papua, Freeport presses ahead with mining while the Indonesian military deals with local protestors incensed at the destruction of their land.

The environmental record of TNCs is not much better. The destruction of whole ecosystems by mining and oil companies, the thousands killed in disasters such as Bhopal, and the ongoing, everyday pollution by companies for which "going green" is public relations. The Kyoto summit failed because powerful members of the Global Climate Coalition - responsible for half the world's pollution mounted a multi-million dollar campaign to back big business.

The photo shows, "The Charitable Gift," by Ferdinand Georg Waldmüller, painted in 1850.

