



# Rights empowering people in the fight against poverty

*It is justice, not charity, that is wanting in the world.*

—Mary Wollstonecraft, *A Vindication of the Rights of Woman*, 1792

The torture of a single individual raises unmitigated public outrage. Yet the deaths of more than 30,000 children a day from mainly preventable causes go almost unnoticed. Why? Because these children are invisible in poverty. As chapter 2 shows, eradicating poverty is more than a major development challenge—it is a human rights challenge.

Of the many human rights failures today, those in economic, social and cultural areas are particularly widespread across the world's nations and people. These include the rights to a decent standard of living, to food, to health care, to education, to decent work, to housing, to a share in scientific progress and to protection against calamities.

Although poor people are also denied a wide range of human rights in civil and political areas, this chapter focuses on the economic, social and cultural rights, of central concern in eradicating poverty (box 4.1). The chapter has two main messages.

- First, the diverse human rights—civil, political, economic, social and cultural—are causally linked and thus can be mutually reinforcing. They can create synergies that contribute to poor people's securing their rights, enhancing their human capabilities and escaping poverty. Because of these complementarities, the struggle to achieve economic and social rights should not be separated from the struggle to achieve civil and political rights. And the two need to be pursued simultaneously.
- Second, a decent standard of living, adequate nutrition, health care and other social and economic achievements are not just development goals. They are human rights inherent in human freedom and dignity. But these rights do not mean an entitlement to a handout. They are claims to a set of social

arrangements—norms, institutions, laws, an enabling economic environment—that can best secure the enjoyment of these rights. It is thus the obligation of governments and others to implement policies to put these arrangements in place. And in today's more interdependent world, it is essential to recognize the obligations of global actors, who in the pursuit of global justice must put in place global arrangements that promote the eradication of poverty.

With this as perspective, the chapter examines:

- *The causal links among diverse rights.* How can different rights be mutually reinforcing?

## BOX 4.1

### Poverty, human rights and human development

Poverty limits human freedoms and deprives a person of dignity. The Universal Declaration of Human Rights, the Declaration on the Right to Development and a large body of other human rights instruments make this clear. The Vienna Declaration adopted at the 1993 World Conference on Human Rights affirms that “extreme poverty and social exclusion constitute a violation of human dignity”.

*Human Development Reports* take the view that poverty is broader than lack of income—that it is deprivation across many dimensions. If income is not the sum total of human lives, a lack of income cannot be the sum total of human deprivation. Indeed, *Human Development Report 1997*, on poverty, defined it as deprivation in the valuable things that a person can do or be. The term *human poverty* was coined to distinguish this broad deprivation from the narrower *income poverty*, a more con-

ventional definition limited to deprivation in income or consumption.

Human development focuses on expanding capabilities important for all people, capabilities so basic that their lack forecloses other choices. Human poverty focuses on the lack of these same capabilities—to live a long, healthy and creative life, to be knowledgeable, to enjoy a decent standard of living, dignity, self-respect and the respect of others.

How does a person escape poverty? The links between different dimensions of poverty—different capabilities or different rights—can be mutually reinforcing in a downward spiral of entrapment. But they can also be mobilized to create a virtuous circle and an upward spiral of escape. Expanding human capabilities and securing human rights can thus empower poor people to escape poverty.

Source: Human Development Report Office.

- *The obligations and accountabilities associated with these rights.* Who is accountable and for what? How are accountabilities moving beyond the state-centred model in the context of global economic integration with its new actors and new rules?
- *The need for expanding resources and removing injustices.* What does it take to build the social arrangements necessary to secure rights?
- *The need for global justice.* How can the global order create a better enabling environment for global poverty eradication?

#### RIGHTS AND CAPABILITIES AS ENDS AND MEANS OF ESCAPING POVERTY

Human rights have intrinsic value as ends in themselves. They also have instrumental value. There are causal links between the realization of one right and that of another—rights to food, rights to free speech, rights to education and so on. These rights directly expand human freedoms and human development. They can also supplement and reinforce one another. And when human rights are guaranteed by law, poor people can use legal instruments to secure them.

In a similar way, human development that builds capabilities, such as being knowledgeable, has intrinsic value. But knowledge also has instrumental value as a means to building

other capabilities, such as being healthy. And the two reinforce each other in lifting a person from poverty.

These links are not automatic, but they can be mobilized strategically. Investing in basic capabilities and securing rights in law are a powerful combination—to empower poor people in their fight to escape poverty.

There are important links between the two broad sets of rights—civil and political, and economic, social and cultural—as well as among economic, social and cultural rights.

#### CIVIL AND POLITICAL RIGHTS—EMPOWERING PEOPLE TO ACHIEVE THEIR ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Studies have shown some important causal links between such rights as freedom of participation and expression and freedom from discrimination and poverty. There can be no better illustration of these links than the effect of the right of free expression and participation in political life on avoiding major social calamity. Amartya Sen pointed to this effect in his classic analysis, an examination of famines all over the world. His and other studies have shown that no famine continued unabated in modern times in any country—poor or rich—with a democratic government and a relatively free press (box 4.2). Loud popular demands, through political processes and the media, push governments to act to stop famine and other social calamities.

There are other illustrations of causal links between civil and political rights and economic, social and cultural rights. Discrimination against women can cause deprivations for them in nutrition and health. Analysis of cross-country data shows that the exceptionally high levels of malnutrition and low-birth-weight babies in South Asia cannot be fully explained by such usual determinants as income, health care, female education, female literacy and female age at first marriage. Part of the explanation is the discrimination against women in intrahousehold allocation of food and health care—discrimination due to the weaker sociocultural rights of women in patriarchal society.

#### BOX 4.2

##### Democracy—and action to avoid famine

In India famines were frequent during colonial rule—and the Bengal famine killed 2–3 million people in 1943. Famines stopped abruptly after independence with the installation of a democratic form of government.

Policies had been devised to protect vulnerable groups from famine during colonial times, but the people had no political voice to demand that they be activated. A democratic India has been able to pull back from the brink of famine because popular pressures—through the media, an active civil society and democratic multiparty political processes—do

not allow government to remain inactive.

Some of the worst famines of modern times, including those in Africa, occurred when there was no catastrophic decline in the aggregate supply of food. Instead, specific groups of people lost their entitlement to food for various reasons, while large segments of the population remained unscathed. A democratic polity—buttressed by a free press and an active civil society in which vulnerable groups have a voice—and the prospects of a coming election make it almost impossible for governments and others not to take quick action.

Source: Sen 1999b; Osmani 2000.

The absence of civil and political rights can block access to social, economic and cultural rights. For example, without workers' right to free association and expression, other labour rights can be inaccessible. Workers interviewed in a study of corporate codes of conduct in six countries in Asia and six in Latin America consistently said that they thought codes were useful only in the context of proper employment contracts and rights to organize. Otherwise, they would only be laid off for complaining.

The same is true for registering births. Without a birth certificate a person may be unable to gain access to education and health services even when available and constitutionally guaranteed. UNICEF estimates that each year some 40 million births worldwide are not registered. It is often children in poor and marginalized families who enter the world deprived of this basic civil right and thus of many other social and economic rights. Regional disparities can be stark—in Turkey the registration rate is 84% in the western region but only 56% in the eastern region. In Indonesia birth certificates are needed for school enrolment and marriage, yet 30–50% of births go unregistered. Similarly, in Kenya children need birth certificates for immunization and school enrolment, but fewer than half the births are registered. South Africa has no data on birth registration, even though certificates are needed for health care and school enrolment. In some countries registration rates have been falling, especially where administrative capacity has declined, as in Tajikistan.

*STRATEGIC USE OF CIVIL AND POLITICAL RIGHTS AND LEGAL INSTRUMENTS IN EMPOWERING POOR PEOPLE*

Civil action groups in all regions of the world are using civil and political rights—of participation, association, free speech and information—to enlarge the political space and press for economic and social rights.

The strength of such action is growing locally and nationally, often with global support networks. In India a group defending the interests of tribal peoples and forest workers is

using the right to information to demand better budget allocations. In Thailand an NGO is using the right of assembly to draw attention to the human costs of dams, land and forest development, slum clearance and private investments. In Russia a regional women's group is demanding action on the devastating health consequences of 50 years of nuclear mismanagement. How? By using methods more traditionally used to fight for political and civil rights—protests, media advocacy, public assembly and legal action (box 4.3).

NGOs have propelled much of this civic action. Their growth and their networking across the globe are part of the wave of transition

BOX 4.3

**Mobilizing civil and political rights for economic, social and cultural rights**

Social movements around the world are capitalizing on freedom of speech and association and exercising the right to participation—to secure economic, social and cultural rights and advance human development.

The Concerned Citizens of Abra for Good Governance in the Philippines, begun as an election monitoring group in 1986, grew into a public action programme to expose corruption in public works projects. It uses advocacy and human rights education to empower communities to claim their rights.

In India the right to access public documents and budget information has been important in demanding higher budget allocations for the disadvantaged and in fighting corruption that takes scarce public resources away from poverty priorities. Representatives of tribal peoples and forest workers in Gujarat formed Development Initiatives for Social Action and Human Action—and questioned why there was little development in their local communities. Though lacking formal training in budget analysis, they thoroughly analysed the government's books and presented a report to the state parliament on underspending for the benefit of tribal peoples. Allocations for tribal peoples then increased from 12% of the total to 18%.

In Thailand the Assembly of the Poor brings together people affected by dam projects, land and forest conflicts, government

infrastructure projects, slum problems and exploitation by employers. The assembly has organized non-violent rallies to demand government accountability at national and local levels, with solid results. Many unacceptable government projects—such as dam construction and hazardous waste treatment projects—have been cancelled. Forest communities took part in drafting the Community Forest Bill—farmers, in drafting the Eighth Economic and Social Development Plan. The assembly also obtained compensation for workers and an agreement to establish an institute to protect worker safety and health.

In Russia a group of women in Chelyabinsk—site of one of the former Soviet Union's nuclear weapons plants—formed the Movement for Nuclear Safety to tackle horrific environmental and health disasters from 50 years of nuclear mismanagement. They used the newly open press to mount a media campaign calling national and international attention to their plight—and to the inadequate official response. They then mounted broad-based legal and developmental action.

In Honduras, when workers at a factory began to organize a union and several organizers were fired, US retailers suspended their orders from the factory in protest. That led to appointment of an independent monitor and a contract between a new union and the firm. And suspended workers returned to work.

Source: Hijab 2000; Pérez 2000.

to democracy, the move to open societies and the spread of global solidarity on human rights—all part of the globalization of the past two decades.

People are also turning more to the law—including international human rights law—to claim their economic and social rights. In many countries the courts have been a driving force in support of housing rights, for example. In a series of celebrated cases the courts of India established housing as a necessary means to the constitutionally guaranteed right to life, giving people protection from forced evictions if no alternative housing was arranged. In Nigeria the Social and Economic Rights Action Centre submitted complaints to the World Bank Inspection Panel to prevent mass evictions in Lagos that would result from the Lagos Drainage and Sanitation Project. In the Dominican Republic more than 70,000 slum dwellers were allowed to remain in their homes in defiance of a presidential decree after the United Nations Committee on Economic, Social and Cultural Rights condemned the planned eviction.

In Argentina an NGO coalition petitioned the Ministry of Health for failing to provide adequate health care and medication for people living with HIV/AIDS. It did so because the constitution establishes citizens' right to seek state protection if denied rights guaranteed by the constitution, a treaty or a national law.

More NGOs that once focused on civil and political rights are extending their activities to economic, social and cultural rights—and to defending the rights of the most deprived. And more development NGOs are adopting the strategies and principles of human rights—from protests to legal actions. These strategies need not be confrontational. In Cambodia NGOs combine human rights education and monitoring with community development activities. Opting for a strategy combining a non-confrontational approach and promotion of the culture of human rights, they emphasize traditional cultural values of Buddhism.

*LINKS AMONG ECONOMIC AND SOCIAL RIGHTS—HEALTH, EDUCATION, HOUSING AND NUTRITION*

BOX 4.4

**Building capabilities to secure rights for the next generation**

A young baby's complete dependence on its mother and others for nutrition, care and well-being underlines the importance of a child's rights and the obligations of others to fulfil them. Human development analysis adds a scientific reinforcement to these rights, by showing how nutrition, education, health care and socialization help build the human capabilities on which a person's human development—and society's—will depend if freedom and choice are to be meaningful and poverty eradicated.

Despite these obligations to build the human foundations of life, the statistics of deprivation show shameful and widespread failures to fulfil them, even in some of the richest countries.

- Of the some 130 million children born each year, about 30 million are born with impaired growth.
- About a third of children under five in developing countries are stunted by malnutrition, with the highest rates in East Africa and South Asia.

- Even more children in developing countries remain constrained in their physical and mental growth by iron, iodine and vitamin A deficiencies.

- In developed countries children are often at special risk: in Italy, Russia, the United Kingdom and the United States one in five children lives below the poverty line.

Poverty thus has many serious long-term consequences—with early childhood deprivation carried forward from one generation to the next. Malnutrition of the baby in the womb results in low birth-weight—which in turn leads to higher rates of infant and child mortality, increased likelihood of underweight and stunting and weaker mental and social development. Recent research has shown other serious long-term effects for both women and men. Those malnourished in the womb and during the first two years suffer significantly higher rates of heart disease, diabetes and cancer later in life, even in their sixties and seventies.

Source: Bradbury and Jantti 1999; Human Development Report Office.

Many studies have documented the causal links between food, nutrition, housing, sanitation, health care and education. For example, good health reduces requirements for food and increases its effective use for nutrition. Higher educational attainment has a similar complementary effect on nutrition.

Building capabilities in one generation is a means to securing social and economic rights in the next—and to eradicating poverty in the long term. A large body of evidence shows that higher levels of maternal education improve the nutritional status of children. Studies in South Asia show that the rate of undernutrition is as much as 20% lower among children of women who have gone no further than primary school compared with the children of illiterate mothers (box 4.4).

Higher education can also spur political action to demand more social and economic rights. In Sri Lanka scholars have pointed out that the welfare state was strengthened in response to an educated electorate after the

Donoughmore Constitution granted universal adult suffrage in 1931. In the Indian state of Kerala higher education and political awareness made a crucial difference in health achievements, which surpassed those even in states that had higher per capita spending on health and more hospital beds per person.

The complementarities among these capabilities show how the rights to food, health care, housing and education reinforce one another.

#### **OBLIGATIONS AND ACCOUNTABILITIES OF THE STATE—AND BEYOND**

The notion of rights that people have is that they lay claims to help from others to realize those rights—help from individuals, groups, enterprises, the community and the state. Chapter 1 explains the nature of these obligations. The claims to such rights as food, housing or health care impose obligations on others. These obligations may be imperfect obligations for which the blame for a rights failure cannot be precisely apportioned among several agents. But these are nonetheless rights that all individuals and society should make the best effort to realize and secure—and for which duty bearers are accountable. Some claims take the form of immunity from interference—some the form of attention and assistance from others. For the many economic, social and cultural rights most central to poverty eradication—rights to food, education, health care, housing, work—claims to support, facilitation and promotion are particularly pressing and important.

Sometimes this has been (wrongly) assumed to mean that the state has to resort to simple handout solutions, distributing food, housing and other necessities. That clearly is not an economically sustainable approach to securing people's well-being in the long term. Instead, the right to such necessities is an entitlement to the social arrangements needed to facilitate access to them.

Take housing. The 1995 report of the Special Rapporteur on Housing Rights provides clear guidance: the state is not required to build housing for the entire population free of charge and immediately, and neither total

reliance on a free, unregulated market nor total reliance on state provision is an appropriate approach. A UN Expert Group in 1996 proposed core areas for the state in housing: providing security of tenure, preventing discrimination in housing, forbidding illegal and mass evictions, eliminating homelessness and promoting participatory processes for individuals and families in need of housing. It also recognized that in some cases direct assistance may be needed—as for victims of man-made and natural disasters and for the most vulnerable in society.

Full realization of all social and economic rights is not a goal that can be attained here and now, especially in countries with low human development and low incomes. Required instead is progressive realization through long-term social and economic progress. Mali, for example, cannot immediately reduce its under-five mortality rate of 237 per 1,000 live births to the 142 in the United Republic of Tanzania or the 19 in Sri Lanka—for a host of financial, institutional and social reasons.

But it can and must move in that direction. The obligations of duty bearers, then, are to make the best possible effort to promote progress, as rapidly as possible. Their accountability is to be judged not only by whether a right has been realized, but by whether effective policies have been designed and implemented and whether progress is being made. Ronald Dworkin makes a useful distinction between “abstract rights” and “concrete rights”. In this context a person has concrete rights to the appropriate policies—not to food, housing and the like, which are abstract rights.

#### *STATE OBLIGATIONS—TO IMPLEMENT POLICIES THAT HELP REALIZE SOCIAL AND ECONOMIC RIGHTS FOR THE MOST DEPRIVED*

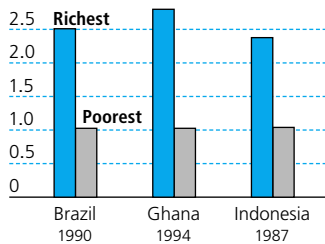
The state, as a primary duty bearer, has the responsibility to do its utmost to eliminate poverty by adopting and implementing appropriate policies. And the accountability of the state needs to be defined in terms of implementation of policies.

*The accountability of duty bearers is to be judged by whether effective policies have been implemented and whether progress is being made*

FIGURE 4.1  
**Discrimination by income—  
 the poorest receive less in public  
 spending and subsidies**

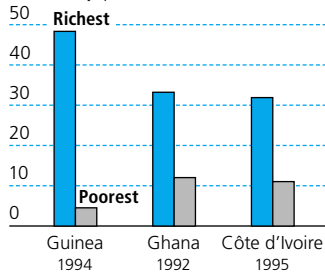
**HEALTH**

Allocation of public spending  
 on health by quintile  
 Index (poorest quintile = 1)



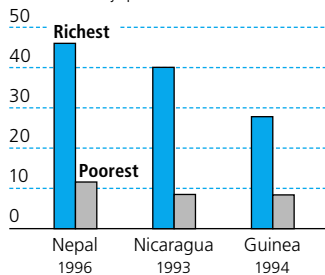
**HEALTH SUBSIDY**

Percentage of public subsidy  
 for health by quintile



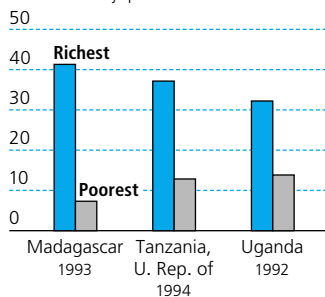
**EDUCATION**

Percentage of public spending  
 on education by quintile



**EDUCATION SUBSIDY**

Percentage of public subsidy  
 for education by quintile



Source: Filmer, Hammer and Pritchett 1998;  
 Castro-Leal and others 1999; Li and others 1999.

The exact mix of policies to eradicate poverty and safeguard human rights depends on a country's circumstances at a particular point in time. Analyses by earlier *Human Development Reports* on strategies for human development, poverty eradication and pro-poor economic growth (in 1992, 1993, 1996 and 1997), along with human rights concerns, point to six elements of policy that are central to accelerating poverty eradication and realizing human rights:

1. *Pursuing pro-poor economic growth.* Low-income countries need to accelerate their growth, but the pattern should be pro-poor, to benefit those in both income and human poverty.
2. *Restructuring budgets.* To provide adequate and non-discriminatory expenditures for primary human concerns, especially basic social services, requires a review of priorities and removal of discrimination against the most deprived.
3. *Ensuring participation.* Poor people have a right to be consulted on decisions that affect their lives. This requires processes that expand political space—to give voice to poor people and their advocates, including NGOs, free media and workers associations.
4. *Protecting environmental resources and the social capital of poor communities.* The natural environment and social networks are resources poor people draw on for their livelihoods and to escape poverty.
5. *Removing discrimination—*against women, ethnic minorities, racial groups and others. Social reforms are needed to remove all forms of discrimination.
6. *Securing human rights in law.* Legislation is a critical aspect of human rights, and these legal obligations need to be reflected in economic and other policies.

Most countries have scope for adopting more pro-poor and pro-rights policies that would accelerate the eradication of poverty and the realization of rights. In many countries serious reforms of economic policy are required—to remove an anti-poor bias, despite entrenched political and economic interests. Expenditure policies may need reform to increase the allocation for priority

social spending and improve its distribution and to remove discriminatory bias against disadvantaged groups (figure 4.1; box 4.5).

*STATE DUTIES—TO PUT IN PLACE A  
 PARTICIPATORY PROCESS OF POLICY-MAKING*

Many of today's social movements defending economic, social and cultural rights arise as protests against government decisions that hurt the livelihoods of poor people—displacement by dams, environmental damage from clearing forests. Often people have little information about decisions by the government or large businesses that have profound effects on their lives—about building schools, roads, water supplies and irrigation systems or about setting up businesses that would create employment or pollute the environment.

Poor people are dependent on public provisioning, natural environmental resources and employment for their livelihoods. But they are also least able to get information about important public policy and planning decisions—and least able to express their views. States thus have an obligation to put in place decision-making processes that are transparent and open to dialogue, especially with poor people and poor communities. In the commitment to holding itself accountable, the state must *accept* responsibility for its impact on people's lives, *cooperate* by providing information and hearing people's views on policy proposals and *respond* adequately to those views—as described further in chapter 5.

As UNDP's *Poverty Report 2000* points out, "holding governments accountable is a bottom-line requirement for good governance." This requires that people be organized, informed and able to claim political space. It also calls for devolution of authority to local governments and transparency in use of public funds.

Many countries are taking initiatives to facilitate participation and accountability. The Philippines National Economic Development Authority selects civil society groups to monitor government programmes. And agencies in India make public records available and hold public hearings to institutionalize cooperation.

The state can never relinquish its responsibility for adopting policies to eradicate poverty. But it is not the sole duty bearer. In a market economy and open society, socio-economic progress that leads to poverty eradication depends on actions of private agents in business and civil society—communities, families, trade unions, employers, the media, NGOs, religious groups and others. This is apparent in the rise in private investment as a share of gross domestic investment in low- and middle-income developing countries. According to World Bank data, in 1980–97 it rose from 54% to 72% in South Asia, 70% to 84% in Latin America and the Caribbean, 52% to 68% in Sub-Saharan Africa and 51% to 55% in East Asia and the Pacific.

And as global economic integration proceeds, the autonomy of the state in policy-making dwindles, constrained by multilateral agreements, by the need to maintain competitive economies in the global marketplace and, for many poor countries dependent on external financing, by agreements with creditors. Global actors—and states acting collectively in global institutions—have greater responsibilities today to help realize economic and social rights of poor people in both rich and poor countries:

- The World Trade Organization (WTO) can set global trade policies that open export opportunities and reduce import costs for poor countries.
- The international financial institutions—the International Monetary Fund, the World Bank and other multilateral banks and donors—can foster pro-poor macroeconomic policies through their lending conditions.
- Global corporations—through investment decisions with huge effects on economic growth, employment conditions and the environment—can help open opportunities for work and for developing skills for poor people. Transnational corporations and their foreign affiliates produced 25% of global output in 1998, and the top 100 (ranked by foreign assets) had sales totalling \$4 trillion. Global corporations also have the potential to do great damage—by destroying livelihoods through environmental practices

that lay forests bare, deplete fishing stocks, dump hazardous materials and pollute rivers and lakes that were once a source of water and fish. They can also disempower poor people and rob them of their dignity through hazardous and inhumane working conditions. And their influence can inevitably go further—in supporting repressive regimes or, alternatively, in supporting political reforms (box 4.6).

- Global media, information and entertainment industries—with their tremendous reach in all corners of the world—can be powerful agents in either helping or detracting from poverty eradication. They shape not just information and entertainment but also new values and cultures. Needed are values that tolerate cultural diversity and respect the dignity of poor people—to reinforce solidarity with poor people and mobilize individuals, communities, employers and others to take responsibility for eradicating poverty.
- Global NGO networks—one of the major developments of the 1990s—can shape policies on global poverty issues, such as reducing the debt of poor countries. The number of

BOX 4.5

**Inadequacies and biases in public spending for basic social services**

Economic and social rights cannot be fulfilled without higher and more equitable budgetary allocations for basic social services. A recent UNICEF publication estimates a shortfall in public spending of up to \$80 billion a year (in 1995 prices) to achieve universal provision of basic services, with around \$206–216 billion required and only \$136 billion being spent.

This shortfall is twice the estimate of up to \$40 billion at the time of the World Summit for Social Development in 1995. A recent survey covering 30 countries shows that basic social services absorb 12–14% of the national budget in most countries. For a few, expenditures are much lower—4.0% in Cameroon, 7.7% in the Philippines, 8.5% in Brazil, for example.

In many instances these expenditures fall significantly short of what is required to provide the minimum package. In Nigeria per capita health spending is \$5, only 42% of the minimum health package required—

and in Ethiopia \$3, only 25% of the required minimum.

There is also serious discrimination in public spending on health and education—which is biased towards richer people, even though the needs remain greater for poorer people. Biases in subsidies are also extremely pronounced (see figure 4.1).

The contribution of bilateral donors for basic health care, basic education and water and sanitation was only 8.3% of official development assistance in 1998, or less than half the 20% target of the 20:20 compact. According to the OECD, the highest reported allocations among bilateral programmes were by Luxembourg (25.7%), Germany (14.1%), Austria (13.1%) and Australia (12.9%). The lowest were by Canada (1.9%) and Italy (3.1%). Among multilateral donors, the World Bank allocates some 8% of its assistance to primary health care, basic education and water and sanitation—the regional development banks, 5%.

Source: UNICEF and UNDP 1998; Mehrotra, Vandemoortele and Delamonica forthcoming; OECD Development Assistance Committee, 2000.

global NGOs rose from 23,600 in 1991 to almost 44,000 in 1999. Under authoritarian regimes, NGOs have often been a force of political opposition. In open democracies they can be more constructive as mediators building trust between the state and the people. And in many countries they are taking over services that the state is unable or unwilling to provide.

All these actors have an ethical obligation, rooted in human rights, to do the best they can to implement policies that are pro-poor and to facilitate poor people's realization of social and economic rights. At the same time, the state has an obligation to ensure that all global actors at least respect human rights. States negotiate multilateral agreements within the framework of the WTO, and states make up the governing bodies of the Bretton Woods institutions. They must act more cooperatively in the common interest.

#### RESOURCES AND ECONOMIC GROWTH— MEANS TO REALIZING HUMAN RIGHTS

Economic growth is a means to human well-being—and to the expansion of human free-

doms. It is not an end in itself, with intrinsic value. The ends are realizing human rights and advancing human development.

#### NO AUTOMATIC LINK BETWEEN ECONOMIC RESOURCES AND HUMAN RIGHTS

Lack of economic resources is often invoked to justify lack of progress in achieving human rights. But the links between economic resources and human rights are far more complex—and by no means automatic.

1. *Measures to promote realization of human rights span the spectrum—from the cost-free to the unaffordable.* Many measures place little burden on the resources of the state or any other actor. Legislation to prohibit labour abuses or discrimination in access to housing requires modest resources. But to enforce these laws and change behaviour is more costly. To secure rights, societies need norms, institutions, a legal framework and an enabling economic environment—all of which require resources. And while it was long assumed that it was economic and social rights that required resources, it is now recognized that civil, political and cultural rights also require resources. Human rights for all need not cost a fortune, but substantial additional resources are needed to support free elementary education for all, reproductive health services for all women, reasonable salaries for judges and support for the court system sufficient to deter corruption. Many countries lack not just the financial resources to secure human rights in law—they also lack the capacity. Even so, many opportunities for action could be mobilized with greater political will.

2. *Resources do not guarantee rights.* There is a broad correlation between income and achievements in economic and social rights. But the range is enormous, and countries with similar incomes can have sharply different achievements in eliminating such basic deprivations as illiteracy and avoidable infant mortality. Consider the stark contrast between South Africa, with a per capita income of \$3,310, and Viet Nam, with a per capita income of \$350. Infant mortality is 60 per 1,000 live births in South Africa, 31 in Viet Nam. The

BOX 4.6

#### Human rights accountability of global corporations

Society no longer accepts the view that the conduct of global corporations is bound only by the laws of the country they operate in. By virtue of their global influence and power, they must accept responsibility and be accountable for upholding high human rights standards—respecting rights of workers, protecting the environment, refraining from supporting or condoning regimes that abuse human rights.

Global corporations can cause human rights violations indirectly by relying on repressive regimes to create secure business conditions. But they can also be agents of positive change for human rights—they have a track record of policy lobbying on economic issues.

Voluntary codes of corporate conduct have proliferated—but they tend to be weak on two fronts. First, they rarely refer to internationally agreed human rights standards. For example, most apparel industry codes refer to national standards

rather than the higher International Labour Organization standards. Second, they lack mechanisms for implementation and external monitoring and audit.

Some important initiatives go beyond self-imposed voluntary codes to develop a more coherent set of global standards. They include a civil society initiative—SA8000 of the Council for Economic Priorities, an independent certification and audit on systematically defined standards, based on ILO conventions and detailed procedures for enforcement—the European Parliament's call for a European code for global corporations and the OECD guidelines. The Secretary-General's Global Compact calls on corporations to assume leadership in the commitment to basic human rights principles.

Lest we forget: nation states have the responsibility to regulate the conduct of private agents and to ensure respect for human rights.

Source: Human Development Report Office.



adult literacy rate is 84.6% in South Africa, but 92.9% in Viet Nam.

Human rights abuses continue in the most prosperous countries today, not only in civil and political rights but also in economic and social rights. The booming economy in the United States has not ended homelessness, malnutrition or lack of access to health care. Gender gaps across the world in health, education, employment and political participation show a wide range of discrimination at similar levels of income.

3. *There is no automatic link between economic growth and progress in human development and human rights.* Economic growth provides important resources for achieving economic and social rights and for building basic human capabilities. But as the analysis of the relationship between economic growth and human development in *Human Development Report 1996* shows, there is no automatic link between economic growth and progress in human development. Some countries have had fast growth with little impact on improvement in human development. Others have had low growth with better performance in improving human development. Similarly, *Human Development Report 1997* shows that the impact of economic growth on poverty eradication depends not only on the rate but also on the pattern of economic growth.

Policies are needed to ensure that the pattern of growth benefits the poor and that the resources generated are invested in building human capabilities. Growth alone is not enough. It can be *ruthless*, leaving losers to abject poverty. *Jobless*, creating little employ-

ment. *Voiceless*, failing to ensure participation of people. *Futureless*, destroying the environment for future generations. And *rootless*, destroying cultural traditions and history.

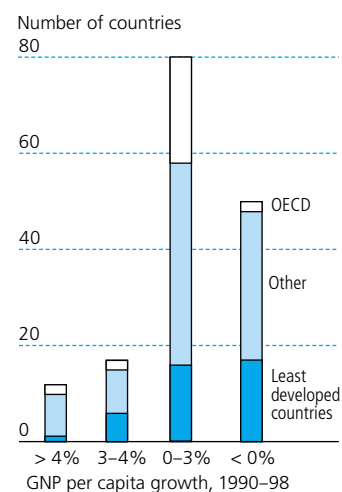
4. *Tough choices need to be made in resource allocation.* Poor countries face tight resource constraints, and they have to make tough choices to establish priorities. But that does not justify neglecting resource allocations to institutions for protecting human rights. Further, many countries spend substantial resources on the wrong kind of institutions—such as intelligence services for censoring the press and suppressing political opposition and labour unions. Human rights and the legal commitments associated with them should command the highest priority, whatever the resource constraints.

#### TWO FALLACIES AND TWO IMPERATIVES

It is tempting to seek an economist explanation for lack of respect for human rights. But neither the level nor the growth of per capita income determines the level of achievement in human rights. With the same income, different outcomes are possible across the range of economic, social and cultural rights—but also the civil and political.

It is also tempting to neglect the importance of resources for the full realization of rights. Economic resources and economic growth are important means. Although there is scope for taking measures that have modest costs and for restructuring budgets, additional resources are also needed. And the lack of economic growth in poor countries has been an

FIGURE 4.2  
Slow growth in incomes



Source: World Bank 2000b.

TABLE 4.1  
Countries by average annual growth in GNP per capita, 1990-98

GNP per capita growth rate	Total number of countries	OECD	Least developed countries	Low human development countries	Low-income countries	Arab States	East Asia	Eastern Europe and the CIS	Latin America and the Caribbean	South Asia	South-East Asia and the Pacific	Sub-Saharan Africa
> 4%	12	2	1	0	2	1	2	0	4	0	2	1
3-4%	17	2	6	5	6	1	0	1	4	4	3	3
0-3%	80	22	16	15	22	6	1	1	21	4	5	20
< 0%	50	2	17	13	25	4	1	18	3	0	4	19
Total	159	28	40	33	55	12	4	20	32	8	14	43

Note: Rows do not sum to totals because some countries fall in more than one category. Not all countries in all categories are included in the table because of lack of data.

Source: Indicator table 13.

enormous obstacle to the realization of all rights. A review of 159 countries for which GNP per capita growth data are available for the period 1990–98 shows that of the 33 low human development countries with data, only 5 achieved average annual per capita growth of more than 3%. For 13 of them, per capita growth was in fact negative (table 4.1; figure 4.2).

That is why accelerating economic growth in poor countries is essential to progress in securing all rights for all people. But as we have seen, growth is not enough. Policies are needed

to link growth and rights. The allocation of resources and the pattern of economic growth must be pro-poor, pro-human development and pro-human rights. Resources generated by growth need to go to poverty eradication, human development and securing human rights. And as noted, implementing such policies and achieving growth depend not only on the actions of the state but on an international enabling environment.

#### GLOBAL JUSTICE—OBLIGATIONS AND RESPONSIBILITIES OF STATE AND NON-STATE ACTORS TO DESIGN A PRO-POOR GLOBAL ORDER

As the world becomes increasingly interdependent, both states—in their policies that affect other states—and other global actors have greater obligations to create a better enabling environment for the realization of economic and social rights. Increasingly, people’s lives are threatened by “global bads” over which no single nation can have control—surges of financial volatility, global climate change, global crime. Decisions of states—whether on interest rates or arms sales—have significant consequences for the lives of people outside national boundaries. Despite mutual self-interest as well as ethical obligations to design pro-poor global economic and social policies, little binds or encourages national governments, corporations, the media and other global actors to do so under current arrangements for global governance. Today’s marginalization of poor countries from global trade and investment surely reflects the failure of global policies (box 4.7).

If global poverty eradication is both a moral obligation and a global public good, why is not enough of it being provided? Because of an incentives gap, a jurisdictional gap and a participation gap—the sources of many public goods failures, according to a recent UNDP study, *Global Public Goods*.

#### THE INCENTIVES GAP

As governments negotiate global policies, they are charged primarily with pursuing national

BOX 4.7

#### Marginalization of poor countries from the bounty of the world economy

Global economic integration is creating opportunities for people around the world, but there is wide divergence among countries in expanding trade, attracting investment and using new technologies. Many of the poorest countries are marginalized from these growing global opportunities. The income gaps between the poorest and richest countries are widening.

*Trade.* World exports of goods and services expanded rapidly between 1990 and 1998, from \$4.7 trillion to \$7.5 trillion (constant 1995 prices). And 25 countries had export growth averaging more than 10% a year (including Bangladesh, Mexico, Mozambique, Turkey and Viet Nam), but exports declined in Cameroon, Jamaica and Ukraine. In 1998 least developed countries, with 10% of the world population, accounted for only 0.4% of global exports, down from 0.6% in 1980 and 0.5% in 1990. Sub-Saharan Africa’s share declined to 1.4%, down from 2.3% in 1980 and 1.6% in 1990 (see figure 4.3). Although average tariffs are higher in developing than in developed countries, many poor nations still face tariff peaks and tariff escalation in such key sectors as agriculture, footwear and leather goods.

*Foreign direct investment.* Foreign direct investment flows have boomed, reaching more than \$600 billion in 1998. But these flows are highly concentrated, with just 20 countries receiving 83% of the \$177 billion going to developing and transition economies, mainly China, Brazil, Mexico and Singapore. The 48 least developed countries attracted less than \$3 billion in 1998, a mere 0.4% of the total.

*Communications and information technology.* The global online community has grown rapidly—from about 16 million Internet users in 1995 to an estimated 304 million users in March 2000. But access to the Internet varies between regions. In 1998 more than 26% of all people living in the United States were surfing the Internet, compared with 0.8% of all people in Latin America and the Caribbean, 0.1% in Sub-Saharan Africa and 0.04% in South Asia.

*Income inequalities.* Among 159 countries with available data, 50 had negative average annual growth in GNP per capita in 1990–98, and only four Sub-Saharan countries and seven least developed countries had growth rates above 3%, the minimum rate for doubling incomes in a generation (see figure 4.2; table 4.1).

A recent World Bank study by Milanovic examines world income distribution using household survey data for the first time—from 91 countries. It shows a sharp rise in world income inequality between 1988 and 1993—from a Gini coefficient of 0.63 to 0.66 (a value of 0 indicates perfect equality, a value of 1.0 perfect inequality). The increase was driven more by rising differences in mean incomes between countries than by rising inequalities within countries.

*The super-rich.* Meanwhile, the super-rich get richer. The combined wealth of the top 200 billionaires hit \$1,135 billion in 1999, up from \$1,042 billion in 1998. Compare that with the combined incomes of \$146 billion for the 582 million people in all the least developed countries.

Source: Milanovic 1999; UNCTAD 1999b; UNDP 1999b; World Bank 1999b; *Forbes Magazine* 2000; NUA 2000.

interests, not the collective global interest, so they fail to produce pro-poor policies (box 4.8). After the Uruguay Round, it was estimated that the new trade agreements would lead to an increase in global income of some \$212–510 billion, but a net loss of \$600 million a year for the least developed countries, and \$1.2 billion a year for Sub-Saharan Africa. A recent UNCTAD study estimates that more favourable conditions of market access for major export items of developing countries, such as textiles, clothing and leather products, could offer the potential for \$700 billion in additional exports by 2005 for these countries, four times the average annual private capital inflows in the 1990s. Global market integration is proceeding apace, but the benefits are accruing to the more dynamic and powerful countries of both the North and the South (figure 4.3). Smaller, low-income countries share little in these global gains, and many are marginalized from the competitive global economy.

Global technology could have a huge impact on poverty eradication—by giving poor people access to seeds for high-yielding food crops or to life-saving medicines. Yet the 1994 agreement on Trade-Related Aspects of Intellectual Property Rights—TRIPS—tightens patent and copyright protection, favouring

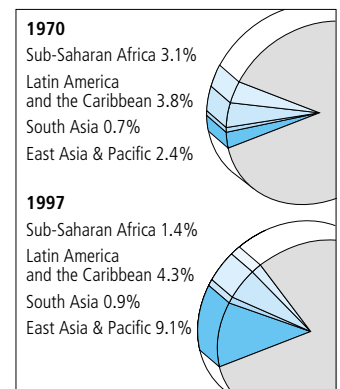
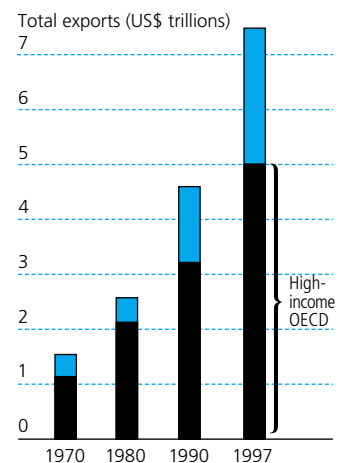
those who develop and market technology rather than society's interest in liberal diffusion of new technology. The agreement has raised concerns about the consequences for protecting the traditional and collective knowledge of indigenous peoples and for public health (box 4.9).

And although promoting poverty reduction may be in the collective interest of corporations, there is no individual corporate interest. Strategies that target corporate reputations, such as media campaigns exposing human rights violations, and those that target corporate profit, such as consumer boycotts and labelling schemes, can help fill the incentives gap. These strategies help shape social norms and create profit motives to promote realization of human rights.

#### THE JURISDICTIONAL GAP

Human rights obligations are codified in international human rights treaties. Most of these conventions have been ratified by the majority of the world's states, but the enforcement mechanisms remain weak. Treaty bodies merely recommend actions by states parties without any enforcement measures. Part of the problem is that international human rights laws apply only to states, to corporations as

FIGURE 4.3  
Rapid export growth,  
shifting shares



Note: Regional classifications are those used in World Bank 2000b.

Source: World Bank 2000b.

#### BOX 4.8

### Global justice—reconciling conflicting values of impartiality and self-interest

Human rights express the bold idea that all persons have claims that human affairs be arranged so as to secure them from the worst abuses and deprivations—and to ensure the freedoms necessary for a life of dignity.

The challenge of changing norms to promote human rights is among the oldest. We are inescapably drawn to viewing the world in two ways:

- Each of us can recognize that we are but one among many—and that our well-being and that of those close to us is of no greater intrinsic importance than the well-being of others. This draws us to view the world impartially, granting equal worth to all people and showing equal concern for abuses and deprivations, regardless of who suffers them.
- We also view the world from within the web of our own interests, identifications and commitments. This is to some extent unobjectionable: each of us has a life to live, and it is often families, friends, causes and commitments that give us a reason to go on living.

While compatible, these perspectives have tension between them. This tension is often reflected in metaphors—such as the level playing field—used to reconcile the perspectives by insisting that individual and

collective interests must be pursued within fair social arrangements.

Development studies have long emphasized the importance of constraining individual and collective self-concern. Poor governance and corruption—often rooted in the excessive self-concern of public officials—are now seen as significant obstacles to development. But excessive partiality also exists at the international level, where it is often openly supported rather than condemned.

Many people—in developed and developing countries alike—view a predominant concern for preserving and enlarging their own collective advantage as legitimate and even praiseworthy. But if we condemn those who seek to turn domestic policies to their advantage, how can we applaud those who do much the same thing at the international level, pursuing almost exclusively their compatriots' interests in international negotiations and in constructing laws and institutions?

Among the most important challenges of the 21st century will be to design and reform international institutions to reflect shared moral values, not bargains between conflicting national interests.

Source: Nagel 1991; Pogge 1993; Human Development Report Office.

well. Furthermore, they focus on states' domestic efforts, not international impacts. And in many states national laws do not reflect standards of international human rights conventions. No wonder that pressures are mounting to link human rights to trade so that the stronger enforcement mechanisms of trade rules can be applied. But such an approach could distort the effect of what might be well-intentioned laws. Trade sanctions are a blunt instrument, penalizing the country as a whole, not just those responsible for rights violations. It may be the workers who end up losing their jobs, and the people of the country who suffer

the consequences of economic decline. Moreover, sanctions do not attack the root causes of rights violations. Child labour, for example, is rooted in poverty, which trade sanctions could worsen (box 4.10).

More attention needs to be paid to the potential impact of international economic agreements on the realization of economic and social rights. In WTO negotiations, government delegations should ask three questions:

- What are the potential benefits of the legislation on growth and equity?
- What are the safeguards against negative impacts on human rights?

#### BOX 4.9

### Building human rights safeguards into the TRIPS agreement

Intellectual property rights manage two conflicting social concerns. One is protecting the rights of creators of technology by restricting conditions of diffusion for commercial use. The other is permitting open access to and sharing of scientific progress.

The agreement on Trade-Related Aspects of Intellectual Property Rights, or TRIPS, is one of the pillars of the Uruguay Round agreements, and also one of the most contentious. It tightens intellectual property rights protection for the creator. It introduces an enforceable global standard by linking intellectual property rights with trade, making them binding and enforceable through the World Trade Organization processes.

Are society's interests—the rights to health and the rights of indigenous peoples—adequately protected?

- *Access to health care.* Provisions restrain many public policies that promote wider access to health care. National laws of many developing countries have intentionally excluded pharmaceuticals from product patent protection (allowing only process patents) to promote local manufacturing capacity for generic drugs and to make drugs available at lower prices. The move from process to product patents introduced under the TRIPS agreement dramatically reduces the possibilities for local companies to produce cheaper versions of important life-saving drugs, such as those for cancer and HIV/AIDS. Local production in India had kept prices at a fraction of the levels in neighbouring countries. For example, in 1998 the anti-AIDS drug flucanazole cost \$55 in India for 100 tablets (150 milligrams) but

\$697 in Malaysia, \$703 in Indonesia and \$817 in the Philippines.

- *Traditional knowledge and resource rights of indigenous peoples.* Biotechnology for plant breeding and pharmaceuticals has given enormous economic value to genetic materials, plant varieties and other biological resources. Life forms—plants and animals—have traditionally been excluded from patents. But the TRIPS agreement requires all WTO member countries to permit patents on micro-organisms and microbiological and non-biological processes. So “bioprospecting” has mushroomed—with scientists “re-inventing” and patenting products and processes using traditional knowledge that communities have held for centuries. Patents have been awarded for using the healing properties of turmeric, for the pesticide properties of the neem tree and other plant properties—all part of traditional knowledge. In a number of such cases the patents were challenged and reversed.

The TRIPS agreement benefits technologically advanced countries. It is estimated that industrialized countries hold 97% of all patents, and global corporations 90% of all technology and product patents. Developing countries have little to gain from the stronger patent protection from the TRIPS agreement because they have little research and development capacity. Research and development for a new drug is estimated to cost around \$150–200 million, but no developing country has a pharmaceutical sales volume of even \$400 million. There is little evidence so far that patent protection has stimulated research

and development in or for poor countries or that it offers the potential to do so.

There are also questions about the compatibility of the TRIPS agreement with human rights law and environmental agreements. The Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights recognize the human right to share in scientific progress. The Convention on Biodiversity requires states to protect and promote the rights of communities, farmers and indigenous peoples in their use of biological resources and knowledge systems. It also requires equitable sharing of the benefits arising from the commercial use of communities' biological resources and local knowledge.

Stronger human rights safeguards can be built into the TRIPS agreement and its implementation. The African Group of WTO Members has proposed a review of the agreement, particularly for provisions to protect indigenous knowledge. And India has suggested amendments to promote transfer of environmentally sound technology.

Stronger national policies are needed to protect society's interests within the realities of the new global regime. Compulsory licensing and parallel imports, provided for under the TRIPS agreement, can make essential medicines more affordable. They should be built into national legislation, as Argentina, India, South Africa and Thailand have done. Indigenous knowledge can be protected by such means as national gene banks and regulation of exports of germ plasm, as India is doing.

Source: Correa 1999; WHO 1999e; Dutfield 2000; Ghosh 2000.

- Is the agreement consistent with obligations under international human rights law?

The same questions should be asked by the WTO dispute settlement body. And there is a need for serious review of the compatibility and consistency between provisions of WTO agreements and international human rights laws, including the human rights provisions of multilateral environmental agreements (box 4.11; table 4.2).

#### THE PARTICIPATION GAP

Just as inclusive democracy is needed to ensure minority participation at the national level (chapter 3), inclusive global democracy is needed in which all countries—small and weak as well as large and powerful—have a voice in decisions. Participation is needed as a matter of right, and to create a global economy with fair and just rules. Global economic policy-making occurs in a world of grossly unequal economic and political power. The playing field is not level when the “teams” have vastly different resources, expertise and negotiating power. Poor and small countries can ill afford the high costs of participating in the WTO, for example. Fourteen of them have either a one-person delegation in Geneva or none at all. They lack access to well-researched legal and economic policy advice. And they cannot afford top legal representation in dispute settlements.

The community of states has an obligation to put in place procedures for greater participation and transparency in global decision-making. The WTO, for example, has been heavily criticized for its non-transparent and non-participatory decision-making, depending more on informal consensus than formal procedures. A major review of decision-making in international bodies should focus on two issues. One is the participation of small and weak countries in the processes of negotiation and dispute settlement. The second is the participation of civil society—including corporations, trade unions and global networks of NGOs—in a forum for open debate rather than in behind-the-scenes lobbying and on-the-street demonstrations.

#### HUMAN RIGHTS TO EMPOWER POOR PEOPLE IN THEIR FIGHT AGAINST POVERTY

History shows that even without the full set of civil and political rights, rapid progress is possible in economic, social and cultural rights. But withholding civil and political rights in no way helps achieve these rapid advances. Quite the reverse, for civil and political rights empower poor people to claim their economic and social rights—to food, to housing, to education, to

##### BOX 4.10

#### The social clause—no panacea for workers’ rights

The good news of increased flows of North-South trade and investments has also raised concerns. Some workers in the North fear a race to the bottom, with production relocating in search of cheap labour. Consumers have begun to worry about the conditions in which the goods they buy are being produced. But as the pressure to include a social clause in multilateral trade agreements has mounted, strong opposition has built from governments of developing countries and many civil society groups, which see such a clause as a thinly veiled protectionist measure. Governments of developed countries have varied and nuanced positions.

A social clause is far from likely to be a panacea for protecting labour rights in the North or the South. The issues are complex, and the impacts uncertain.

- Economic analysis and evidence of the links between trade and labour standards are inconclusive.
- Trade sanctions could be counterproductive, hurting rather than helping workers in poor countries. Sanctions and other penalties would further constrain these countries’ access to global markets.
- Social clauses apply only to export sectors. These sectors provide only a fraction of employment in most countries—for example, less than 5% of child labour is employed in export industries. And they are not always where the worst violations occur.
- Sanctions would not help attack poverty, a root cause of many workers’ rights issues, such as families sending children out to work.
- A social clause can be a powerful instrument for a large, rich country but not for a small, poor one. Trade penalties can have

a much more devastating effect on a small country exporting only a few commodities, because the dispute settlement process is extremely costly, requiring international legal expertise. And poor countries are unlikely to take a large country on for fear of consequences in areas beyond trade, such as aid, debt relief and export credits.

Ultimately, what is needed to improve workers’ rights in developing countries are investments and economic growth that create jobs, stronger national laws and their implementation, and adoption of higher standards by the domestic private sector and foreign corporate investors. Sanctions or even threats of a social clause may turn government policies around. But workers’ rights depend on the behaviour of individual employers—from a multinational corporation such as Nike or Rio Tinto to a family with domestic servants—and that depends on the enforcement of laws.

What are some alternatives to trade sanctions?

- Measures to give teeth to the enforcement of core labour standards of the International Labour Organization.
- Programmes involving employers and governments to improve workers’ rights. The ILO programmes against child labour, which build on successful initiatives that provide education in Bangladesh and Pakistan, are an example.
- Initiatives to tighten the accountability of corporations, including corporate codes of conduct that respect core labour standards, with independent monitoring and implementation.
- Consumer action such as labelling and boycotts to create market incentives for higher labour standards.

Source: Belsler 1999; Khor 1999; Panayotou 1999; Ghosh 2000; Rodas-Martini 2000.

health care, to decent work and to social security. These rights empower them to demand accountability—for good public services, for pro-poor public policies, for a transparent participatory process open to hearing their views. This propels dynamic public policy for equitable development and accelerated human development.

Moreover, neglect of economic and social rights can undermine civil and political liberties, reversing recent progress. Economic stagnation, high unemployment, scant economic opportunities for urban youth, growing gaps between rich and poor, inflows of the international Mafia—all are sources of enormous strain on fragile transition democracies, in many parts of Africa, Latin America, Eastern Europe and the former Soviet Union.

Consider the fear and insecurity in the streets, felt across the globe from Bogotá to Nairobi, from Moscow to Manila. Economic

and social policies that increase inequalities, particularly in the context of economic stagnation and unemployment, often lead to crime and put pressure on the judicial system. The ensuing failures in the administration of justice lead to quasilegal investigative methods, violations of constitutional guarantees and the use of coercive powers by the police. Communities end up facing a false dichotomy—a supposed choice between respecting human rights and fighting crime. That sets in motion a downward spiral pitting communities, especially poor communities, against the police and judiciary.

In sum: progress towards a democratic society that respects human rights will be consolidated if laws and institutions to protect civil and political rights are accompanied by investments in accelerating human development and poverty eradication. Economic revival and an equitable distribution of the

BOX 4.11

### International trade, human rights and environmental agreements

The international system for governing trade, human rights and environmental issues reveals a patchwork of different legal regimes that have evolved separately (table 4.2). The scope for conflict between these regimes has been thrown into sharpest relief in the heated debates about potential incompatibility between World Trade Organization rules and multilateral environmental agreements.

#### Multilateral trade agreements and multilateral environmental agreements

There is widespread concern among environmental and human rights activists that the WTO dispute settlement system might deal with trade and environmental issues as purely trade matters, rather than as environmental issues with broader public interests. That is similar to what is perceived to have happened in the beef growth hormones case brought by Canada and the United States against the European Union at the WTO. In this case, arguably about food safety and human health concerns, the WTO ruled in favour of the complainants, treating the case as a market access issue.

Twenty of the some 200 multilateral environmental agreements in existence contain some form of trade measure. Although no complaint has arisen at the WTO about these trade

measures, both trade and environmental analysts recognize the potential for conflict, particularly with regard to such agreements as the Kyoto Protocol and the Convention on Biological Diversity. With the uncertainty about whether trade or environmental rules will prevail, many have called for clarity rather than waiting for a WTO dispute to settle the matter irrevocably. Among the options proposed are an agreement not to bring any trade cases relating to multilateral environmental agreements before the WTO dispute settlement body, and an agreement that in the event of a conflict environmental provisions will take precedence over WTO rules.

The recently concluded Biosafety Protocol negotiations in Montreal (January 2000) represent a major step forward in developing a more consistent approach. The protocol, which will govern movement and trade of living modified organisms, contains the most sophisticated elaboration yet of the precautionary principle, which suggests that in the face of a scientific uncertainty and potentially great environmental harm, policy-makers should skew their actions so that errors of too much protection are more likely than errors of too little. The protocol also states that its provisions will not be subordinated to any other

international agreements, although some ambiguity remains. Most significant, it provides an operational framework for the WTO dispute process to interpret the precautionary principle as it applies to trade.

#### Need for consistency in international legal regimes and norms and standards

Globalization has made it vital to work towards a harmonious set of international legal regimes, norms and standards on trade, human rights and the environment. If trade is recognized as a means to enhancing human well-being, commercial interests must not override protection of fundamental human rights and freedoms. The legal regime for trade, embodied by such organizations as the WTO, will have to develop in tune with its social and environmental counterparts. The evolving relationship between the WTO and multilateral environmental agreements is beginning to show the way—especially through joint interpretive agreements—to a more coordinated system.

The human rights community has remained untouched by these discussions, but soon it too will face potential conflicts with trade agreements (such as forced labour). It must not be caught napping.

Source: Mehra 1999.

economic gains are a vital companion to constitutional advance.

Four challenges that public policy must recognize:

- Equitable economic and social policies have direct connections to sustaining civil and political liberties. One policy priority all countries can consider deserves priority attention—meeting the 20:20 compact target of increasing expenditures for human priorities,

including primary health and education, by restructuring national and aid budgets or protecting them in balancing budgets.

- Civil and political liberties empower poor people—advancing social and economic progress, reducing economic and social poverty and inequality. Promoting the work of civil society organizations—including NGOs, workers organizations and the free media—will help vibrant societies

TABLE 4.2

**Comparing and contrasting three sets of international laws**

	Trade	Human rights	Environment
Applicability and jurisdiction	Agreements applicable to contracting parties (for GATT/WTO agreements, WTO member states)	Agreements applicable only to countries that have ratified them (ICESCR, ICCPR, CEDAW, CAT, CRC), except for Universal Declaration of Human Rights, which is regarded as international customary law and the embodiment of human rights norms and standards	Agreements applicable only to countries that have ratified them (Montreal Protocol, Basel Convention, Kyoto Protocol, Convention on Biodiversity). The Rio Declaration and Agenda 21 of the United Nations Conference on Environment and Development are non-binding but expressions of internationally accepted environmental norms and standards
Principles	Centred on states  Most favoured nation (non-discrimination between trading nations)  Non-discrimination between goods considered “like products” on the basis of their process or production methods	Centred on states and individuals  Primacy of human rights  Non-retrogression (states cannot remove, weaken or withdraw from human rights obligations or policies in fulfilment thereof)  Right to an effective remedy in an appropriate forum  Right of participation of affected individuals and groups  Positive discrimination/affirmative action	Centred on states, individuals and communities  Precautionary principle  Polluter-pays principle  Common but differentiated responsibilities of states  Responsibility to future generations
Enforcement and monitoring bodies	Legally binding, with trade sanctions and monetary fines (compensation) as potential penalties	Legally binding where adopted under national laws or, in the case of the European Union, regional laws  Monitoring mechanisms for the UN Charter and treaty-based agreements	Mix of legally binding (Kyoto and Montreal Protocols) and non-binding (Agenda 21)  Enforcement mechanisms weak or non-existent at international level  Trade bans on such products as hazardous chemicals and endangered species permitted under Convention on Trade in Endangered Species, Basel Convention and Montreal Protocol  Treaty secretariats act as ad hoc monitoring bodies but with no clear mandate
Conflict resolution	Dispute settlement mechanism for WTO conflicts	None	None

Source: Mehra 2000.

secure human rights. Lifting archaic regulations that restrict activities of NGOs and censor the media is a priority.

- The human rights obligations of public institutions—and other important actors—are to implement pro-poor policies and policy-making processes that guarantee the right to participation by the poor.
- The human rights obligations of global actors—state and non-state—are to put in place global institutional and legal

arrangements that promote the eradication of poverty.

Societies across the globe are becoming more open and more plural. The move to democracy and the emergence of NGOs were the key developments of the 1990s. Building on the mutually reinforcing rights—to free expression, assembly, participation, food, housing, health care and many others—is essential in empowering poor people to lift themselves from poverty.