

## **PANEL ON POVERTY, HUMAN RIGHTS AND DEVELOPMENT**

### **JOINT MEETING OF THE SECOND AND THIRD COMMITTEES OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS**

**Presentation by Douglas Hellinger  
Executive Director, The Development GAP**

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Thank you, Mr. Chairman, I am going to try to be brief and will be touching on some of the themes mentioned by the previous speakers. I have to ask myself, to the extent that this is a discussion about development and human rights that seems to be focused on the South, why is someone from the North speaking to an international gathering like this? I have lived in a small town in the South and our organization works with people across the Third World, but you can get campesinos, you can get trade unionists to tell you a much more interesting, a much more knowledgeable story than I could ever tell you about what is going on in your own countries. I therefore believe I am here today to help hold Northern institutions, Northern governments accountable for the roles they play in the maldevelopment found today across the South and the infringement of human rights that has almost inevitably followed.

I am not trying to ignore in any way the responsibility that the governments of the South have to treat their own people with respect. We went through a long period of dictatorship in a number of countries in the South during the '60s and the '70s in which the suppression of human rights was at times brutal. We learned during that period, and subsequently, that there is a clear connection between development and human rights. When people are not getting from the development process what they need, when they are not participating meaningfully in that process, and when the government is part of a system that effectively blocks the achievement of these needs, popular pressure on the system to yield those results will often lead to conflict and subsequent repression.

What role do Northern governments and the institutions that they dominate play today in bringing about such conflicts? For the last 20 years, powerful forces in the North have imposed an economic system on the South that has limited the ability of even democratic governments to support the type of economic development that their people want and need. In other words, because of the stabilization and structural adjustment policies that our governments and the international financial institutions that they control have imposed on the governments of the South, almost all Third World governments have had to respond first and foremost to their international creditors and second to their own people. In so doing, they have created a situation of inherent conflict. Through structural adjustment and its trade, investment, labor, credit, fiscal, agricultural and other policies, you increase unemployment, income inequality, poverty and food insecurity. When you place a premium on high interest rates to keep foreign capital, mainly speculative capital, in the country, you are making it very difficult for small businesses and small farms to keep going, and they are typically responsible for 70 to 80 percent of a nation's employment. And when you have labor policies that are geared toward the creation of cheap production platforms to allow foreign firms to sell back to us in the North, you are undermining

the basic rights of workers.

When you have this type of economic repression, it is not surprising that people are going to react. But governments, even leaders that have run for office on an anti-adjustment platform, have no choice when they assume power. I know of national leaders who have gone to the U.S. Treasury or the International Monetary Fund, progressive governments that ask for flexibility and leeway to pursue another set of policies, policies that their people want, and they have been told in no uncertain terms, actually in quite crude terms, that they have got to be kidding, that they are going to follow the basic guidelines of the IFIs. And when those governments cannot subsequently deliver for their people and people protest, when they strike, when they block roads, when they fight for their basic rights, you are going to have repression.

We have been creating such volatile situations over the past two decades. I am not excusing anybody, but I am trying to hold responsible the people who supposedly represent us here in the North. It is not as if they are actually representing our interests; they are representing the interests of the investors and bankers that finance their campaigns. You do not have to look any further than the Asia crisis that is now upon us to see the result of this irresponsibility. That crisis, as everyone now acknowledges, was a financial crisis that was turned into an economic crisis by the IMF through the imposition of austerity policies under the banner of stabilization and adjustment. What you have had in Asia is economic shock therapy followed by terrible poverty and some of the worst types of human rights abuses. This is not a new phenomenon, as the people of Africa could tell you in regard to the imposition of IMF policies over the past 20 years, and the same is certainly true in Latin America. So we have created a situation for which we in the North are not totally, but in large part, responsible. And these very policies, contrary to what people would have you believe, are in fact not decreasing debt burdens, but increasing them -- a country going through structural adjustment is more likely to owe more money now than it did when it started the program -- and that gives governments less leeway within their budgets to respond to the needs of their people.

The speakers before me have said that the answer, the future, needs to be driven by civil society, an empowered civil society. That's what we and many others are trying to do: to try to create space by getting our governments, our financial institutions, the ones we control, off the backs, not only of other countries, but of poor people, in particular, as well as to help empower civil society worldwide to mobilize and push their own representatives to give them, and allow them to participate in, the economic programs that they need.

Two or three years ago, a group of NGOs -- now a network of some 1200 organizations around the world, including major trade unions -- engaged Jim Wolfensohn, the president of the World Bank, in a program to look at structural adjustment on the ground with civil society. The governments of Norway, Sweden, Holland and others are supporting the program, known as SAPRI. The Initiative is geared, not only to learn about what has happened under adjustment over the past 20 years, but to legitimize a voice for civil society in the future planning of economic policy. Local knowledge is real and critically important. It is not the only knowledge, but it is the basic knowledge. If we ignore the peoples' knowledge of their own reality, we are going to make mistakes over and over again.

Let me conclude by saying that things have changed very rapidly in the last year. Today, we not only have a global financial crisis, but a financial crisis that has created an opportunity for change. This opportunity is one for people around the world to try to take control of their own destinies. There is beginning to be an understanding, even in establishment circles, that IFI policies have failed, so I call upon the good people and progressive governments around the world, South and North, parliamentarians and UN agencies to take advantage of this opportunity to mobilize and press for fundamental change in the way that the global economy, as well as national economies, has been managed. Times have changed: it is now safe to use the “s” word -- structural adjustment -- or critically discuss the “g” word -- globalization -- in official circles. The way globalization is currently managed, by a privileged few, is not inevitable. We need to manage it in a different way, in ways that serve the interests of the majority of the people of the world -- not on behalf of investors and bankers so they get a 25-percent guaranteed return on their money.

Jim Wolfensohn at the World Bank said the other day, in a departure from the IMF position, that we should stop imposing policies. What he would like to see is a relationship develop among the government, private sector and civil society in every country to determine their own national economic path and have the Bank and other institutions support that process and the direction they want to go. I think that is very optimistic at the moment because you have others, particularly the IMF and our Treasury, who are still actively limiting the choice, but I think it's a start. For somebody of that stature to stand up and say that this is possible means that we are at the beginning of a new era. Over the next 20 to 25 years we are going to see the other side of the curve, the curve up which uncontrolled global capital has traveled during the '80s and '90s when it has gone wherever it wants. Now we are getting a backlash. The next 20 years are going to be an extremely interesting period for creative change, a creative challenge for the forces of civil society and its true allies around the world that bodes well not only for development but for human rights. Thank you.

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