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THE RIGHT TO DEVELOPMENT, FROM THE PERSPECTIVE OF CIVIL SOCIETY

Contribution by the ICVA representative
to the Working Group on the Right to Development
UN/ECOSOC Commission on Human Rights
8-19 November 1993

1. Thank you, Mr. Chairman, for the opportunity of addressing the Working Group. My name is Marcos Arruda, I am a Brazilian economist and educator and currently the coordinator of the NGO Working Group on the World Bank. I am here on behalf of ICVA, the International Council of Voluntary Agencies, which has more than 90 national and international NGOs and NGO networks around the world as affiliates and works both on sustainable development and on humanitarian issues, focusing on global inequalities and on active collaboration, from the local to the global levels, to overcome them.

2. Having been a participant and a modest contributor to the January 1990 Global Consultation, I am especially concerned that this working group start from where former consultations and meetings left off, in an effort to go beyond the current, still very undeveloped, stage of implementation of the right to development. This Working Group should try to break a very common vicious circle -- that of meeting to produce excellent statements, only to find out later that they were not supported by the transformation of institutions and the behavior of crucial actors, then meeting again to examine why the statements are still on paper and have not been made real. Breaking this circle is both a political and a methodological challenge. It requires tackling the issue of power, carefully examining who runs the world today, and what are the structures and mechanisms responsible for the creation of development for some and misdevelopment for the world's majority. This is the only sound basis upon which we can seek ways to influence those actors in power, and empower those who should be the main subjects of development and yet are constantly being excluded.

We welcome the endeavor by the UNCTAD representative to present an analysis of the world situation in recent years and the proposals regarding the Working Group's plan of work. However, we would like to offer a few alternative approaches. We are convinced that identifying not only the absolute, but also the relative, power of the various agents is crucial to define their responsibility in the implementation of the right to development, as well as the

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concrete means effectively to remove the obstacles to the fulfillment of that right. This is the main motivation of this presentation.

3. THE DECLARATION IS AN IMPORTANT ACHIEVEMENT. From the perspective of civil society, especially the poor, the oppressed and the marginalized, the Declaration on the Right to Development is an important achievement. Some of its main aspects deserve to be underlined:

a) the definition of development as 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; this definition, we add, is a tacit indictment of the dominant development model which fosters the improvement of only a few individuals, countries, firms or banks, at the expense of the many others;

b) the recognition of the human being -- instead of "the private sector", or "capital", or "the free market" -- as the central subject of development; therefore, continues the Declaration, every human being should be an active participant of the development process and a beneficiary of the right to development;

c) the understanding that only a social and economic international order based on sovereign equality, interdependence, mutual interest and cooperation among all States is compatible with the right to development;

d) the recognition of the responsibility of States, by means of appropriate national development policies, to ensure 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;

e) the need for sustained action, by means of appropriate means and facilities, to promote more rapid developing of the poor nations;

f) the need for all States to cooperate in the elimination -- not only the alleviation -- of obstacles to development and the realization of that right by means of, inter alia, equality of opportunity for all in their access to basic resources, education, health services, food, housing, employment and the fair distribution of income; ensuring that women have an active role in development; and implementing reforms with a view to eradicating -- not just alleviating or reducing -- all social injustices.

4. BUT THE DECLARATION IS INCOMPLETE. However, in our opinion certain crucial aspects of the right to development and its effective implementation are missing in the Declaration and should be addressed by the Working Group, among them:

a) the recognition that the main processes of global transformation affecting human society on a global scale have had mainly an adverse impact on the right to development for the world's majority;

b) an emphasis on the responsibility of other actors, besides the nation-States, in particular transnational corporations, multilateral agencies and civil society;

c) a concern with the dominant concepts, assumptions and values which are at the root of the obstacles to the right to development;

d) a normative statement about the compulsory status of the right to development and a strong reference to the need of international juridical and political institutions, empowered to ensure the effective respect and implementation, and to curb violations, of the right to development.

The report of the 1990 Global Consultation did make progress in identifying some of the obstacles, especially in paragraphs 164 to 169. It also made advances regarding criteria to measure progress (paragraphs 170-180). However, we are convinced that this Working Group can further advance in the diagnosing of structural obstacles, thus laying the basis for more penetrating and effective recommendations for action. ICVA and a number of NGOs with whom we collaborate can offer a contribution to the Working Group in these aspects. I will briefly introduce some of them.

5. IS GLOBALIZATION AN OBSTACLE TO THE RIGHT TO DEVELOPMENT FOR ALL WORLD CITIZENS? Neoclassical and neoliberal economists in the 1980s were surprised by the co-existence of recession with inflation. The UNDP Human Development Report of 1993 now calls attention to another theoretical puzzle: the accelerated trend toward growth with unemployment. This means that one of the most fundamental human rights, the right to work, is under jeopardy as never before, not by the whim of a business cycle but by the very functioning of the market system. The fact that this system is becoming more and more global means that it is spreading this growing gap throughout the world. This is precisely what the UNDP Report shows. Growth hand-in-hand with chronic, structural unemployment, has become a relevant feature of the global economy at the eve of the XXI century. The privatization of the labor productivity gains and the dominance of predatory competition are at the root of this

phenomenon. (The etymological meaning of "to compete" is "to search together". This is precisely what global market competition has ceased to do). But we have to dig deeper. Underlying the problem are the basic values and beliefs which guide today's world:

- . the utopia of a self-regulating market;
- . the worship of material wealth and its accumulation as the goal and meaning of human life;
- . the fragmented notions of the human being (individual versus humankind), production (capital versus labor), development (economic versus social), and the universe (humankind versus nature);
- . the belief in technical progress as a panacea;
- . the illusion of unlimited growth; and
- . the practice of competition not as a means for Humanity to achieve higher levels of well-being for each and every human being, but as a universal credo.

NGOs tend to agree that globalization as such is not the problem. The great obstacle to the right to development is the current type of globalization, the logic and values underlying it and the behavior of its leading actors. Globalization of inequalities, unjust relations and exclusion, globalization of dependence and submission, globalization of income, knowledge and power disparities, these are problems which the world can no longer afford.

6. TRANSNATIONAL CORPORATIONS AND BANKS ARE RESPONSIBLE. They share responsibility with multilateral institutions, whose effectiveness depends on the policies of the richest countries, for the economic, financial and technological governance of the world.

a) Global corporations control more productive and financial resources than nation-States. In 1990, the assets of the 10 largest world financial conglomerates reached US\$ 3.6 trillion. This was equivalent to 22.5% of the aggregate GDP of the OECD countries (population, 777 million) and 1.5 times the aggregate GDP of the 57 middle-income countries (population, 1,088 million).

b) Global corporations, not nation-States, are the main traders. According to UNCTAD, the total value of world exports in goods and non-factor services amounts to US\$ 4 trillion, of which the largest 500 TNCs control 70%.

c) Northern States have systematically violated their loudly-proclaimed market principles by granting "their" corporations various types of incentives and subsidies. In 1987, the cost of protectionism in agriculture alone in OECD countries reached US\$ 346 billion. In the EC, this represented a cost of US\$ 32 per week for a family of four.

Many studies show that transnational firms and banks, although an important source of investment and a factor for technical progress, have contributed to the worsening of the situation of poverty and inequality in the world. Although they represent only the narrow interests of their shareholders, their power and operations go beyond the reach of national states or democratic institutions. Codes of conduct and other forms of non-binding regulation have been largely ineffective to change TNC behavior or make them more sensitive to public needs and more democratically accountable. If the Working Group follows the line of considering TNCs "too difficult to manage" and, therefore, outside the realm of responsibility for the implementation of the right to development, its prescriptions will be utopian and will fail to effect significant social change.

I will mention quickly three mechanisms of dealing with TNCs which would enhance the possibilities of a true democracy by fixing responsibility and compelling accountability:

a) democratization of the right to property, management and control of the means to produce and reproduce life and human well-being;

b) a more consistent body of law and an efficient regulatory national and global system, including public information on TNC costs, prices and profits, can enhance freedom of choice while inducing TNCs to make better judgements and behave more responsibly; cooperation among States would greatly enhance the quality of corporate behavior, as well as the chances for societies to protect their own legitimate interests;

c) empowerment of nation-States to regulate and control the operations of global corporations within their territory is important; but it has to be combined with collaboration with other States, within the region and in the world, and with the creation of international juridical and political institutions empowered to make that regulation and control effective at the global level.

7. THE MULTILATERAL INSTITUTIONS ARE RESPONSIBLE. The post-War world was witness to the consolidation of the Bretton Woods institutions as ambiguous organizations. They are weak vis-a-vis the purpose for which they were created in 1944 -- to ensure the suppression of obstacles to development and to promote fair exchange between members countries --, and yet they are strong as promoters of the narrow interests of the dominant world powers. They are currently the only available means for private capital to coordinate their activities and interests on an international scale.

a) The IMF was created, among other goals, "to facilitate the expansion and balanced growth of

international trade." This meant to contribute to the promotion and maintenance of high employment levels, increasing levels of real income and the development of productive resources of all members as primary objectives of economy policy. In practice, the IMF has become collector of official debts and enforcer of uniform policies which dismantle the economic regulatory powers of States.

b) The World Bank was expected to help remove the obstacles to development and finance the reconstruction of impoverished economies. In practice, it has used its financial resources as a means to support policies and projects which are market-centered and aim at further integrating the Southern economies in a subordinate position within the world market economy. Advocating the inevitability and priority of "adjustment" to international markets, and promoting the private sector, not "the individuals, groups and people", as the main subjects of economic growth, the Bank has actually obstructed the possibilities of a people- and a community-centered development. Recent progress in areas like growing concern with implementation, acceptance of the principle of popular participation, enhanced public access to information and the creation of an independent inspection panel are welcome, however deeper changes are needed to make the Bank an equitable, accountable organization truly concerned with people-centered development.

c) The GATT has been a feeble alternative to the proposed International Trade Organization (ITO) which would regulate trade independently of the relative strength of the most powerful economies and the vagaries of their national policies. The GATT began in anticipation of the ITO as an ad hoc group of self-selected governments, and continues to be so four decades later, demanding from weaker members reciprocal openness to the world's largest national markets.

d) The proposal for a World Food Board was sacrificed to one nation's agricultural interests. The integrative mechanisms of the world food economy fell to that nation's food aid, and via that opening, to transnational agro-food corporations. This is why agriculture was excluded from the GATT negotiations from the onset.

The short-term, limited perspective of the dominant interests compromises the ability of international institutions actually to create and enforce new rules for stable world markets. This is the dilemma of international regulation: on one side, States cannot regulate their national economies because of capital flight and neoliberal adjustment, and they cannot provide stable conditions for investment because a national scope is not sufficient for transnational capital; on the other, multilateral institutions inherited from the post-war settlement are

largely controlled by a small number of rich countries, whose power resides mainly in military and financial institutions, not in production and trade.

A profound reform of the multilateral institutions must be envisaged, if they are to become factors of construction of a world order capable of fostering the right to development for all countries and peoples.

8. A NEW GLOBAL ORDER: FROM THE BOTTOM UP. The recognition that all the aspects of the right to development are indivisible and interdependent implies that economic, social and political transformation must go hand-in-hand. Popular participation and participatory democracy are concrete means to rebuild the world order from the bottom up. This challenge is more radical than just consulting people about projects already designed by the power actors, or seeking their participation only as consumers. Popular participation requires a shift of the development pole from the global economy to popular communities. These should become the term of reference and the subject of a participatory process of development planning and implementation that begins at that level and gradually moves upward.

There is no way of making participation effective unless its foundation is a permanent, comprehensive process of popular education, encompassing capacity building and a broader range of awareness and areas of knowledge. As defined, popular education is crucial to enable the person, human communities and nations effectively to play the role of subjects of their own development. The many implications of these shifts are explored in documents which I cite in the enclosed bibliography.

9. THE ONLY CHANCE FOR THE RIGHT TO DEVELOPMENT: EMBEDDING THE GLOBAL ECONOMY IN SOCIETY. The only way to overcome the economic, social, cultural and ecological devastation of societies and the destruction of the social basis for protecting human communities and environments is to embed the global economy in society. Movements to eradicate poverty and unemployment and to create new forms of community to protect livelihoods and the natural environment are emerging everywhere in forms appropriate to local and national conditions. Livelihood depends on bringing the common effort to link needs and capacities of society and the natural habitat to the smallest possible level: the family, the street, the community, the municipality. It means creating local links between what is produced and what is consumed, and creating social and cultural ties and activities between local, popular economies. This is happening through desperation where capital has abandoned communities, and through choice where people have become aware of the dangers of dependence on mobile capital to provide employment and the goods necessary for life.

Support for local economies to find ways to federate into higher and more encompassing levels of political coordination is crucial. National States are all that we have at the moment to sustain the old protections against self-regulating markets, and to respond to democratic pressures to create new ones. The project for ^{com}federated, self-regulating communities and nations, nested in bioregions of increasing scale seems to be an appropriate democratic bedrock upon which to build a global order which foster the respect for rights to all.

10. NGOs can contribute to the Working Group by sharing the vision of alternative values and ways of relating which are at the root of an alternative development paradigm emerging from the oppressed and marginalized social groups with whom they work. They can also be requested to share concrete proposals for new socio-economic structures and relations, a new personal, inter-personal and social ethic, and, above all, concrete policies and means for making the transition from the world as it is now to a world where each and every human being and community become the true and active subject of integral and sustainable development.

A final suggestion for the consideration of the Working Group would be to recommend to the United Nations the establishment of an Economic, Social, Cultural and Environmental Security Council, with powers similar to those of the existing military Security Council, to rule over the global issues related to the right to an economically, socially, culturally and environmentally sustainable development.

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