
CAPITALISM AND GLOBALIZATION

GLOBAL CAPITALISM AND HUMAN RIGHTS

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NGOs are currently involved in attempts to bring International Financial Institutions (IFIs) in line with international human rights law. In this paper I argue that approaches to humanizing global capitalism are not doomed by the nature of capitalism as such (as Marxists suppose). Indeed, the cultural politics in which NGOs and those sympathetic to human rights within IFIs have been engaged over the last twenty years has made some difference to the policies adopted by the World Bank. However, the geo-political structures of the IFIs and the nature of capitalist competition make it legitimate, necessary even, for sovereign states to pursue their 'comparative advantage'. The difficulties of reforming global capitalism are due to economic competition between states as much as they are to capitalism as such, and to the inadequacy of global institutions to manage it in order to make equitable economic policy for the world.

Keywords: *economic and social rights, international human rights law, International Financial Institutions, cultural politics, 'de-globalization'.*

Introduction

In this article I discuss attempts to bring International Financial Institutions (IFIs) in line with international human rights law. I have chosen this case study because, whilst human rights NGOs have made some impact on the World Bank – which, like the IMF, should already have human rights obligations as part of the UN – the difficulties they have had give some clues to those likely to be encountered in any Inter-Governmental Organisations (IGOs) where the terms of global economic governance are negotiated in the name of formally sovereign and very unequally positioned states. In the first section of the paper we discuss whether, in principle, global capitalism could be reformed using the international law of human rights. I argue that although approaches to humanizing global capitalism must be, as we would expect, extremely complex, multi-faceted, and multi-scalar, capitalism can be reformed to make it more social democratic in accordance with the Universal Declaration of Human Rights and other human rights agreements. In the second section we look at the difficulties of reforming the IFIs. The cultural politics in which NGOs and those sympathetic to human rights within IFIs have been engaged over the last twenty years has made some difference to the policies adopted by the World Bank. However, the geo-political structures of the IFIs and the nature of capitalist competition which make it necessary, and legitimate, for sovereign states to pursue their 'comparative advantage', make it very difficult to see how global

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social democracy could be realized. In conclusion, then, we return to examine the general theoretical argument for reforming capitalism through international human rights law. The difficulties of reforming global capitalism are due to economic competition between states as much as they are to capitalism as such, and to the inadequacy of global institutions to manage it in order to make equitable economic policy for the world.

Can Global Capitalism Be Humanized?

It is well-established in international human rights law that states are bound to cooperate to develop economic policy for the benefit of all human beings in the world, regardless of where they live. Take, for example, Article 2 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), which has been ratified by most states (though not by the USA) since 1976:

Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.

The social and economic rights listed in the Covenant are basically those of Article 25 of the Universal Declaration of Human Rights (UDHR):

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

The UN Committee on Economic, Social and Cultural Rights has repeatedly stated that, under the terms of Article 2 of the ICESCR, states are bound to refrain from action that might result in human rights breaches in other countries, and to help each other protect human rights within their own jurisdictions (Kinley 2009: 53).

What difference does international human rights law actually make in terms of realization of social and economic rights in practice? Structural arguments that are well-established in sociology suggest that it will make very little difference. Marxists argue that only civil rights to property have any real value when socio-economic life is structured by capitalism. In fact, civil rights and capitalism are two sides of the same, bourgeois, coin. The argument is still most forcefully and eloquently made by Marx himself. In 'On the Jewish Question' Marx argues that the universal human rights articulated in the French Declaration of the Rights of Man contributed to the rise of the bourgeois class, protecting the property rights of the rich and limiting the power of the state whilst fooling everyone into thinking that, because they have rights as individuals, they really are free and equal in relation to each other through the state (Marx 1992). For Marxists, as long as the right to private property is protected, social relations are poisoned by egotism and greed, states are used to further the interests of the wealthy, and human rights are no more than ideological. In this respect Marxists today see the expansion of

international human rights and neo-liberal globalization as part of the same post-Cold War project to enrich the owners of transnational finance and industrial capital (Douzinas 2000; Žizek 2005).

Marxist critiques tend to be abstract and normative, however, concerned with the underlying illegitimacy of human rights rather than with the details of how they are put into practice. But it is in the details of those practices that human rights may, at least potentially, make a difference today.

In theoretical terms, studying human rights in practice is better approached from a post-Marxist perspective. Claude Lefort argues that, although human rights did emerge with capitalism, it is mistaken to see their meaning as exhaustively defined in relation to particular socio-economic structures. Lefort argues that Marx's account of human rights is insufficiently historical. The meaning of human rights is contingent on how they are *used* in any particular situation, rather than being determined once and for all by the historic conditions in which they first became prominent. Respect for freedom of opinion and freedom of association are key to the Declaration of the Rights of Man. They did, Lefort agrees with Marx, enable the bourgeoisie to open up space for capitalism outside absolute monarchism. But they are also, he points out, vital to any progressive politics in relation to the state and capitalism. For Lefort, rights open up the possibility of creating associations, identities and ethical ways of life beyond and through the state that are not necessarily reducible to the bourgeois forms with which Marx was concerned (Lefort 1986, 1988).

Lefort's argument is for the cultural politics of human rights. What I mean by 'cultural politics' is the more or less organized struggles over symbols that frame what issues, events or processes mean to social actors who are emotionally and intellectually invested in shared understandings of the world. Cultural politics concerns public contests over how society is imagined, how social relations are, could, and should be organized. It is only through practices that are meaningful to those who engage with them that social life is possible at all. The social institutions that constrain us are nothing but routinised shared understandings of what is real, what is worthwhile, and what is possible. It follows, then, that rights, which can only be guaranteed collectively, are meaningful to social actors in different ways, and how they are actually put into practice makes for very different kinds of structural and institutional arrangements (Nash 2009). The importance of what human rights mean to social actors is evident, in fact, in the very terms of the debate between neo-liberal and Marxist political economists. For both neo-liberals and Marxists, only civil and political rights are genuine; social and economic rights are logically impossible except as a kind of an illusion. According to the terms of international law, on the other hand, which are taken seriously by activists who try to use it to influence the structures of capitalism, social and economic rights are necessary for a human-centred global economy.

For human rights activists who try to make a difference using international human rights law, the principal aim is to alter the moral, legal, and political forms of capitalism itself. What this involves, above all, is 'de-globalizing' decision-making with respect to the economy. Both the ends and the means of 'de-globalization' that are pursued in human rights strategies are, however, enormously controversial. On the one hand, it seems obvious that states must be strengthened to take control of global markets. But this can only be done by co-operation through Inter-Governmental Organizations. There are a number of

international policies here that neo-Keynesian economists agree on (for more details see Chang 2010a, 2010b; Howard-Hassman 2010; Kinley 2009; Sen 1999). In terms of global trade what is needed is regulation that is fair, that enables developing economies to protect 'infant industries' and crucial food supplies whilst the markets of highly industrialized countries are opened up for export to enable them to become globally competitive. The idea here is that a 'level playing field' in terms of free trade will benefit economies that are already highly developed to a far greater extent than those that need to protect 'infant industries', just as the highly industrialized countries themselves once did. A fair taxation system is necessary that would close tax havens and offshore banking, and that would raise rather than lower taxes on wealth. 'Odious debt', which has benefitted bankers and not the people who live in states to which it was loaned, should be dropped to enable states to spend more on promoting economic growth and protecting people from global markets. And flows of financial capital should be slowed down (by a Robin Hood, or Tobin Tax) to prevent money being diverted from investment in productive industries, to discourage the enormous inequalities in wealth being generated by financial speculation, and to stabilize banking systems. All these proposals are designed to strengthen states, to increase the resources at their disposal for public goods such as education and healthcare, to enable them to provide security for people, and to exercise greater control over transnational markets in capital and goods, so providing a degree of stability for everyone (including investors in industry).

On the other hand, strengthening states can only be a *means* to realizing human rights; it is not an end in itself. As such it has obvious disadvantages. As a means to realizing human rights, strengthening states depends on the willingness and the capacities of political elites to respond to peoples' needs. A strong state that is *not* responsive to the people within its jurisdiction simply enables elites to benefit themselves, increasing repression and misery. Strengthening states can only be effective in realizing social and economic rights when state officials are accountable to the people for whom they are supposed to work.

It is on this understanding that the importance of the indivisibility of rights is emphasized. The principle has been well-established in international law since the Vienna Declaration of 1993. Social and economic rights depend on civil and political rights and *vice versa* (see Sen 1999; Beetham 1999). The indivisibility of human rights is perhaps best exemplified by Amartya Sen's famous point, historically well-supported, that there have been no famines in multi-party democracies. Sen argues that civil rights have proved necessary to the enjoyment of the most fundamental economic right – to food – because a free press and an active political opposition give rulers an incentive they do not otherwise have to make sure people do not die of starvation (Sen 1999: 180–181). More generally, and less dramatically, if it is mobilization and pressure on global elites that make human rights possible, then rights to organize, to communicate, and to protest are crucial to realizing social and economic rights for all citizens.

To complicate things still further, however, for human rights to be respected, economic policy at international and at national scales must take into consideration the rights of *all* human beings, not just those of citizens. Strengthening states to better serve their citizens should not come at the expense of the rights of *non*-citizens. Where the rights of non-citizens are concerned, however, mobilisation and pressure on elites becomes even more complex. The activities of NGOs and transnational social movements

are crucial in this respect. Their role is, however, also controversial. What difference does it make that NGOs themselves depend on funding to do their work? How independent are they from their 'home' states? And what links do they have with those whose interests they claim to represent?

Approaches to humanizing global capitalism are, as we would expect, extremely complex, multi-faceted, and multi-scalar. Assessment of their success, or their likely success in the future, is equally complex. We do know that, at least at some times and in some places, capitalism has been more benign than the neo-liberal version of globalization with which we are faced today. Welfare states emerged in industrial societies as a solution to the last great expansion of global markets driven by nineteenth century liberalism (Polanyi 2001; Block and Somers 1984). Welfare states are, of course, currently under attack in Europe, while in the USA the welfare state is no more than residual. They have, however, also been realized elsewhere, in quite different conditions (Sandbrook *et al.* 2007). Moreover, as people in north-western societies face being 'uncitizenized', especially as a result of the handling of the financial crisis since 2008, elsewhere, in Latin America, Russia, and East Asia especially, many are hopeful that they may be in a position to *gain* social and economic rights as a result of the spread of global business investments. Still others in those regions face the loss of traditional ways of life as capitalism expands.

In this article I examine just one type of human rights activism that aims at realizing socio-economic rights, those that are intended to make International Financial Institutions accountable to international human rights law. We cannot hope to conclude with a definitive assessment of such campaigns. What we can do is to explore what is at stake in the attempt to humanize capitalism through IFIs and the controversies generated by these campaigns; and to assess the limitations they come up against today, and their likely success in the future.

International Financial Institutions and Human Rights

Together, the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO) are commonly known as International Financial Institutions (IFIs). IFIs are far from the only Inter-Governmental Organizations (IGOs) responsible for economic policy-making. Global economic governance also involves inter-state summits like the G8 and the G20; regional trade organizations like the EU, NAFTA and MERCOSUR; and various other parts of the UN too, especially UNCTAD and the FAO (see Tonkiss 2006: 61–66). The IFIs are, however, particularly important to human rights activists for two main reasons. Firstly, they have been especially influential in spreading neo-liberal globalization through the authoritative expertise they have cultivated, the knowledge they construct, and the assumptions about how to achieve economic growth they promote. Most importantly, the IMF and World Bank have imposed conditions on loans they have made to countries, requiring them to restructure their economies along neo-liberal lines, cutting back on state spending and freeing markets in ways that have had terrible impact on the poorest people in the world. Secondly, in principle the IFIs already have responsibilities to respect human rights. The IMF and the World Bank have human rights obligations as part of the UN, and both are membership organizations made up of states that have signed and ratified human rights agreements (Oberleitner 2007: 134–135; Clapham 2006: 137–139). The WTO is not part of

the UN, but it too is made up of states that have signed and ratified international human rights agreements. Finally, from the point of view of our analysis here, IFIs offer good case studies for analysis because the difficulties human rights NGOs encounter there are likely to be similar if not worse in other IGOs where the terms of global economic governance are also negotiated in the name of very unequally positioned states.¹

Since the 1990s, all the IFIs have come under increased pressure from NGOs, not just to make financial and trade regulation compatible with human rights, but more positively, to actually realize human rights through international economic policy. This pressure coincides with the discrediting of ‘the Washington Consensus’ – short-hand for the political project driven by neo-liberal economic theory in the IFIs and elsewhere. To date none of the IFIs has a human rights policy to guide its work. Indeed, all the IFIs continue to deny that they have a legal obligation to take human rights into account on the grounds that human rights are political matters; their mandate requires them to respect state sovereignty, to avoid interfering in the decision-making of national governments (Oberleitner 2007: 130). In the case of the IMF and the World Bank, however, ‘the Washington Consensus’ has been modified in ways that some see as significant for human rights. Firstly, poverty reduction is seen as requiring non-market means of redistributing wealth (rather than just ‘trickle down’), including social services such as education, health-care and safety nets for people without income. Secondly, economic growth is increasingly seen as requiring good governance, which includes transparency, accountability, and citizen participation in development projects (the World Bank ‘Collaborative Governance’²). Changes to World Bank policy in particular mean that, as a result of pressure from NGOs and internal advocates, it now makes much more strict requirements of its borrowers: above all they should consult with civil society groups and produce Poverty Reduction Strategy Papers that are publicly available. Gerard Oberleitner goes so far as to argue that the World Bank is now ‘in effect promoting a number of human rights, such as the right to development, the right to be free from poverty, the right to education and health, women’s human rights, the rights of refugees and involuntarily settled persons, and environmental rights’ by directing development loans towards ‘capacity-building’ in training, education, strengthening civil society, and combating government corruption (Oberleitner 2007: 131). Others, however, argue that the economic policy of the IFIs remains that of liberalizing markets and minimizing state intervention (Salomon 2007: 8–9; Chang 2010b). On this basis it is a ‘Washington consensus augmented’ rather than a significant change of direction (Scholte 2005: 40).

In fact, the increased involvement of NGOs in administering World Bank policies and projects has itself been controversial. Perhaps, most highly debated is an increase in the use of NGOs by the Bank to deliver the development projects it funds. This is contentious because the use of NGOs in this capacity is often explicitly intended to bypass governments that are seen as incapable or unwilling to address the problems of the poor. It is on this basis that the human rights and good governance agenda of the Bank is most heavily criticized. It is argued that use of NGOs is imperialist, smuggling in policies that people have not democratically chosen, and disempowering them as citizens (Chandhoke 2002). Moreover, NGOs delivering on any funded projects risk orienting their aims towards gaining donor money, rather than towards properly representing the people they are supposed to be helping (see Edwards and Hulme 1996; Fruttero and Gauri 2005). On the other hand, development projects are also guided by large

NGOs, like Oxfam, which is valued for its research capacities, and which does not receive project funding from the World Bank (though it does receive funds from the UK government) (Nelson 2007: 96–97). Finally, and especially since the new emphasis on good governance and the setting up of the Inspection Panel in 1994, there is more scope for local grassroots NGOs to make their grievances felt against development projects that do not benefit the poor, and that may make their situation markedly worse. A striking example is the organization of people in Ijora-Badia, Lagos, where local people organized and succeeded, with great difficulty, in persuading the World Bank to withdraw from funding a state project that would have led to the eviction of thousands of families. In this case the Nigerian government eventually sided with activists (on the grounds that the local state did not actually own the land) and shelved the development plans (Morka 2011). In fact, the Inspection Panel is only supposed to review the World Bank's own procedures in deciding whether or not to lend money for a project. But it is not hard to see how increased monitoring of a project by an international agency on the basis of local participation in assessing it could be seen as infringing state sovereignty. It appears to be on this basis that officials from India and Brazil have objected to any extension of the Panel's powers (Nelson 2007: 104).

Activists' attempts to civilize capitalism through human rights come up against multiple paradoxes with regard to states, which are very much in evidence in trying to extend socio-economic rights through IFIs. Firstly, states are generally in a paradoxical position in relation to human rights in that they are to be held accountable as the *violators* of human rights and they are, at the same time, addressed in international human rights law as the *guarantors* of human rights. Secondly, states are at the same time sovereign and to be held accountable to 'the international community' of IGOs and NGOs. Thirdly, states are supposed to serve their citizens as a particular political community, but they should also respect universal norms that enable non-citizens' rights too. As is so often the case where institutionalizing human rights are concerned, the strategies of NGOs attempting to put pressure on IFIs work on the tension between several different principles of legitimacy, all of which are centred on states (see Nash 2011).

According to their formal rules of association, IFIs were established to respect state sovereignty. In addition, however, both formally and informally, IFIs were also set up to be dominated by the wealthiest states, especially the USA. As institutions, the IFIs are structured by 'sovereign inequality'. The IMF and the World Bank allocate voting and governing positions to those who hold the most shares. In the case of the IMF, for example, the USA has always had, and continues to have, an effective veto. In the case of the World Bank, the Executive Directors are elected by the biggest shareholders. There has been a convention that the USA chooses the President of the World Bank, while Europeans appoint the Managing Director of the IMF – both positions are important to setting the policy agenda (Monbiot 2004: 153–154). In the WTO decisions are reached by consensus; though there is the possibility of making decisions by voting, with one member one vote, it has never yet been used. This obviously allows for a good deal of informal pressure from states with the most to offer in terms of trading opportunities (Woods 2003).

It would be a mistake to suppose that the knowledge and policies produced by IFIs are *determined* by their institutional design. As institutions that employ highly qualified professionals to produce knowledge-led economic policy for development and financial

stability, IFIs do have some independence from member states. In fact, in a very interesting ethnographic study of the World Bank, Galit Sarfaty argues that it is organized in such a way that it is difficult for officials from member states to influence, or even to gain oversight over how knowledge is produced, contested, and disseminated within the Bank. Nevertheless, it is certainly the case that economists dominate knowledge-production. Sarfaty argues that it is structures of status and incentives within the World Bank that enable economists to frame the dominant perspective within which the knowledge on which decisions are made is constructed. They treat human rights with suspicion as either too vague (as moral principles) or too rigid (as law) to facilitate development. In fact, given that what is important for the status and promotion prospects of individuals working at the Bank is *making* loans, rather than monitoring their effectiveness, human rights tend to be perceived as obstacles rather than as priorities (Sarfaty 2009).

As we have noted, the cultural politics in which human rights NGOs and those sympathetic to human rights within IFIs have been engaged over the last twenty years has made some difference to the policies the World Bank has adopted. In general, however, when we consider both the structures of IFI governance and the economic policies they have advocated, it is hard to avoid the conclusion that they are part of the machinery of informal U.S. imperialism rather than genuinely independent IGOs responsible for the global economy. The dollar has functioned as a global currency, effectively subsidizing the U.S. economy (Graeber 2011; Ferguson 2009). Equalizing global conditions (thought of as creating a 'level playing field') through trade liberalization will always be to the advantage of the wealthiest economies. At the very least, different rules are needed by different states: regulation that suits highly industrialized states will not suit those in which most people live by small-scale farming, trading and manufacture. In addition, rich states often ignore international rules for their own benefit. David Harvey notes, for example, that the USA's enormous, and longstanding, foreign debt would make it a candidate for intense pressure to restructure its economy under IMF rules (Harvey 2003: 72). Similarly, despite the commitments of IFIs to free global markets, both the USA and Europe continue to operate forms of national protectionism. They pay state subsidies to agriculture (creating surpluses which they dump as food aid in other countries, making it difficult to develop internal markets), and for research in public universities and the military that leads directly to developing industry and exports (see Hoogevelt 2001; Kiely 2010; Chang 2010a).

The geo-political structuring of the IFIs is now being altered as the USA's economic dominance is in question with the rise of Brazil, Russia, India and China (the BRICs). As these states become wealthier they are altering the ideology and the policies of the IFIs, including those that have been influenced, however minimally, using human rights law. Many states have distanced themselves from IFIs to pursue their own economic policies. The 'Asian Tigers' of Hong Kong, Singapore, South Korea, and Taiwan, and in more recent years Latin American states like Argentina and Brazil have removed themselves from the influence of the IMF and World Bank (Dieter 2008). And in the Doha round of talks at the WTO in 2003, which has not been resumed, 22 states walked out, vetoing what they saw as unfair negotiations over the terms of trade. The influence of the IFIs is in decline with American economic dominance. Most significantly, IFI policies may now be shaped by the BRICS. This is most evident in the way

in which China borrows from the World Bank and at the same time lends trillions of dollars to smaller states, especially in Africa and South East Asia. It does so to gain access to oil and minerals, and to provide work for its citizens on large infrastructure, mining and construction projects, and it does so without imposing any conditions at all in terms of human rights and environmental standards on borrowing states. This undermines the attempts of human rights activists to get IFIs to take human rights obligations seriously. Not only can borrowers go elsewhere for dubious development loans, but the World Bank itself is now in competition with China. Shalmali Guttal reports that as a result of Chinese and Indian resistance to conditional loans, the World Bank has piloted a scheme that would require development projects only to meet the (sometimes very low) standards of the country in which they are to be sited. As she points out, both the IMF and the World Bank rely on shareholders as the source of their own wealth, and they cannot afford to lose their wealthy clientele (Guttal 2008). For some, such changes are an indication that ‘the Washington Consensus’ is now being displaced by ‘the Beijing Consensus’, which privileges economic development over respect for human rights (Ramo 2004; Sautman and Hairong 2008). For others it points rather towards ‘multi-polarity’, with a much greater role for the BRICS and for South-South relations (Nederveen Pieterse 2012: 203–220).

The changing terms of ‘sovereign inequality’ by which the IFIs are structured meet the paradoxes of state-centric human rights in ways that make for a very unsatisfactory situation that activists have to address if human-centred international economic policy is to be possible. The main difficulty here is competition between states, which is legitimate if leaders represent national interests, but illegitimate from a human rights perspective. Authoritarian states resist respecting civil and political rights, and it may be very difficult to change them, but there is no fundamental contradiction between states making agreements to abide by the same rules as every other state and actually abiding by those rules. But where states are supposed to take *positive action* to benefit their citizens by managing their national economies, they do more than stop actions. In order to use the dynamism of capitalist competition to develop and grow their national economies, states must *compete against each other* to create wealth for the public as for private good. Strengthening states in relation to the global economy means that states will then be able to create industries with ‘comparative advantages’ in the global market. That is to say, to grow their economies, states must compete to set up industries that produce particular goods better, more cheaply and more efficiently, than other states, by planning and investment, and above all, by encouraging, attracting and keeping transnational corporations.

A great deal has been written on the tendency of global neo-liberalism to create a ‘race to the bottom’ in terms of undercutting social protection, wages and workers’ conditions as a result of global competition. In fact, the picture that is emerging is not so clear-cut, because national politics seem to make an enormous difference. Although IFIs and transnational corporations have put pressure on all states to liberalize their economies, these pressures have been quite differently dealt with by the political elites of different states. In the USA and Australia, for example, neo-liberalism has led to massive changes in social provision, while in Denmark and Germany state protection for workers and citizens remains strong (Doogan 2009; Holton 2011: 110–114; Scholte 2005: 194–198). On the other hand, Sandbrook *et al.* report that the welfare states ‘of the

global periphery' they studied, Costa Rica, Mauritius, Chile and the Indian state Kerala, are much more vulnerable than larger states. They are similar in that they offer the comparative advantages of peace, stability and good infrastructure. But their workers are not skilled and educated enough to compete with those in the Northwest, whilst relatively high wages, good working conditions, and high taxation make it difficult for them to compete with states that offer much cheaper labour and tax breaks (Sandbrook *et al.* 2007: 32–34). South Korea stands out as an example of a previously authoritarian state that, now it has achieved a high level of development, has introduced social provision, in part as a *response* to pressures of globalization and the Asian financial crisis (Scholte 2005: 198). Over the longer term, however, it is unclear whether social protection can survive in conditions of global competition.

Sovereign states legitimately pursue their 'comparative advantages' internationally to the detriment of non-citizens through IFIs. We have noted the benefits to the USA of the economic policies they produced, and how the advantage of that particular state was built in to the very structures of IFIs as such. The way in which China is pursuing globalization through IFIs is now quite evident. In state-centric IFIs, even if officials in states act quite legitimately to take control of national economic planning, it is only through competition with other states that they can fulfil the human rights obligations they have to their citizens. In fact, state elites surely act for a mixture of reasons: from self-interest (economic and/or political), national pride, even sometimes genuine concern for public interest and citizens' well-being. In democratic states they are answerable to those citizens, however limited their accountability may be in precise terms. 'The Washington Consensus' may now be giving way to 'the Washington Consensus augmented', 'the Beijing Consensus', in which development for social and economic rights takes precedence over civil and political rights, or to multipolarity. But the state-centric, competitive structuring of IFIs is not set up to enable reform to realize universal principles of socio-economic justice for citizens and non-citizens alike.

Conclusion

In general, limits on markets are not only *possible*, they are *necessary* to markets themselves. Markets simply cannot exist without regulation. This is most obvious when we consider the need for legal contracts between those who take part in market exchanges (between suppliers, producers, and sales outlets, and between workers and management), and an institutional infrastructure to regulate controversies if they break down. Less tangible limitations on markets, however, include social structures of trust. There must be mutual expectation that contracts will be sincerely entered into and respected; otherwise they can seem too risky. A reasonably settled set of circumstances to enable long-term planning is also vital. This is as true for ordinary people as it is for entrepreneurs and investors. People must undertake, and/or enable others to undertake, training to enter the workforce, and they must care for people who cannot undertake paid work (whether because they are too young, too old, too ill, or because there is no paid work available to them). Education, care and hard work require commitments that cannot be quantified, but that are essential for markets to work well. In a sense, markets depend on hope and faith in the future; the faith that, with some effort, it is possible to maintain or to improve one's material circumstances, and that planning to do so is worthwhile.

Perhaps, most evidently today, markets rely on environmental resources, on land, minerals, and on surroundings in which people can live healthily. All these resources, of course, are now in question. As Polanyi observed of the attempt to build global free markets in the nineteenth century, marketising everything is fundamentally contradictory because it calls the human and environmental resources on which markets themselves depend into question (Polanyi 2001).

To put it another way, markets, if only to function as such, have to be embedded in social relations that always have moral meanings. The cultural politics of human rights is oriented towards framing and institutionalising markets in terms of justice. Activists engage in the cultural politics of human rights using international human rights law to address economic issues in moral and legal terms. In attempting to reform the IFIs, the aim is to make existing institutions – international and national – that are already designated as having responsibility for economic development more accountable and more responsive to people's needs. These strategies involve re-framing 'interests' in human rights terms. To some this will seem far too weak: how can fine ideals affect the interests of global elites? Human rights strategies are premised on the understanding that markets are part of social life; they do not exist outside the meaningful codes through which we understand them, and they can be constructed in more humane ways. While neo-liberalism posits a human being who is, or who should be, motivated only by self-interest, we actually live in social structures in which we are also expected to be motivated by other concerns. Precisely where lines are drawn between 'economic necessity' and other social values is a matter of cultural politics. Changes in priorities are not, then impossible. Beliefs, standards and values, as well as embarrassment, pride and shame, do affect decisions about 'how to go on' in everyday life. This is no less the case where knowledge and procedures that regulate 'how to go on' are embedded in professional, bureaucratic contexts, as they are in the institutions of the IFIs, in national and international economic policy, and in the production of mainstream theories of development.

Incremental change in 'how to go on' is always possible in principle, then, even when it is transformation of something as complex and multi-faceted as 'the global economy' that we aspire to. In practice, however, as we have seen here in the case study of campaigns to influence IFIs, it is extremely difficult to humanise global capitalism, to make organisations and institutions that regulate economic development and make it more accountable and responsive to the needs of all. In relation to human rights, these difficulties are due at least as much to economic competition between states as they are to strategies of transnational corporations to evade unfavourable regulation. In other words, they are due to the inadequacy of global institutions to manage capitalist competition for the benefit of all; they are not simply a product of capitalism as such. It goes without saying that international co-operation is necessary to make equitable economic policy where all countries are affected by globalization. But it is also widely agreed that a world state that could impose regulation on competing states and border-hopping transnational corporations is *not* desirable (see Weiss 2009). Human rights are, however, state-centric: it is states that make international human rights law (albeit through IGOs, and increasingly in dialogue with NGOs), and it is states that are the addressees (as well as the violators) of human rights in international law. We have noted here the multiple paradoxes of states of human rights: they are both the violators

and the guarantors of human rights; they are accountable to international public opinion and at the same time sovereign; they are supposed to represent and be democratically accountable to their citizens and to ensure the human rights of non-resident, non-citizens too. In general, these paradoxes are creatively and fruitfully engaged by activists. It is evident, however, that the citizen/humanity paradox is a limitation for the cultural politics of human rights activists who aim to civilise global capitalism – even more than in the case of other principles of human rights. Where competition between states is considered legitimate to provide socio-economic rights for citizens, it is far from easy to convince politicians, civil servants, and economic policy advisors to take international human rights law seriously to organise the global economy for the benefit of human beings.

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NOTES

¹ The IMF and the World Bank were set up as part of the UN in 1944 under quite restricted terms as ‘Bretton Woods institutions’, the IMF to make loans and regulations to stabilize currencies, and the World Bank to make loans and give advice on specific projects – initially for post-war construction and now for development. According to Margot Salomon, however, there is now practically a convergence in their practices with regard to development, as the IMF concerns itself with preventing global economic crises as such, while the World Bank takes a much more proactive role in lending to and advising states on how to making the most of the global context (Salomon 2007: 4–5; see also Oberleitner 2007: 129–135). The World Trade Organisation (WTO) was set up in 1995 (to replace the General Agreement on Tariffs and Trade, another Bretton Woods institution) as a forum for negotiating trade rules and settling disputes. Its agreements are the legal ground rules for international trade (Oberleitner 2007: 136–139).

² <http://wbi.worldbank.org/wbi/about/topics/governance>. Downloaded 7/6/12.

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