UNITED NATIONS



Economic and Social Council

Distr. LIMITED

E/CN.4/Sub.2/1998/L.22 14 August 1998

Original: ENGLISH

COMMISSION ON HUMAN RIGHTS

Sub-Commission on Prevention of Discrimination and Protection of Minorities Fiftieth session Agenda item 4 (a)

THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS

THE INTERNATIONAL ECONOMIC ORDER AND THE PROMOTION OF HUMAN RIGHTS

Mr. Bengoa, Mr. Eide, Mr. Diaz Uribe, Mr. Goonesekere, Ms. Hampson,
Mr. Pinheiro and Mr. Weissbrodt: draft resolution

1998/... <u>Human rights as the primary objective of trade</u>, investment and financial policy

The Sub-Commission on Prevention of Discrimination and Protection of Minorities,

Recalling that, as declared in article 28 of the Universal Declaration of Human Rights, everyone is entitled to a social and international order in which the rights and freedoms set forth in the Declaration can be fully realized, and that article 25, paragraph 1, enshrines the right of everyone to a standard of living adequate for the full realization of economic, social and cultural rights,

Stressing the need to work towards the realization for all people and communities of the rights, including food, housing, work, health and education, enshrined in the International Covenant on Economic, Social and Cultural Rights,

GE.98-13772 (E)

Recalling the Vienna Declaration and Programme of Action (A/CONF.157/23) which confirmed that the promotion and protection of human rights and fundamental freedoms is the first responsibility of Governments and that the human person is the central subject of development, and the Copenhagen Declaration and Programme of Action (A/CONF.166/9) and its recommendation to States of the need to intervene in markets to prevent or counteract market failure, promote stability and long-term investment, ensure fair competition and ethical conduct, and harmonize economic and social development,

Noting with concern the conclusions of the <u>Trade and Development</u>

Report 1997 published by the United Nations Conference on Trade and

Development that since the early 1980s the world economy has been

characterized by rising inequality, both between and within countries, that

income gaps between North and South have continued to widen, and that the

income share of the richest 20 per cent has risen almost everywhere while

the income shares of both the poorest 20 per cent and the middle class have

fallen,

Noting also the conclusions of the <u>Human Development Report 1997</u> published by the United Nations Development Programme that although poverty has been dramatically reduced in many parts of the world, a quarter of the world's people remain in severe poverty, that human poverty constitutes a denial of human rights, that unguided globalization had helped to reduce poverty in some of the largest and strongest developing economies but had also produced "a widening gap between winners and losers" among and within countries, and that to create opportunities and not to lose them requires better management of globalization, nationally and internationally,

Recalling the analysis of the effects of globalization contained in both the addendum to the final report of the Special Rapporteur on the relationship between the enjoyment of human rights, in particular economic, social and cultural rights, and income distribution (E/CN.4/Sub.2/1998/8) and the final report of the Special Rapporteur on the question of impunity of perpetrators of human rights violations (economic, social and cultural rights) (E/CN.4/Sub.2/1997/8),

Aware of the continuing negotiations in the Organization for Economic Cooperation and Development on a Multilateral Agreement on Investment, and of the widespread protests by civil society against the Agreement based on concerns about its adverse effects on human rights, the environment and sustainable development,

<u>Concerned</u> about the possible human rights implications of the Multilateral Agreement on Investment and particularly about the extent to which the Agreement might limit the capacity of States to take proactive steps to ensure the enjoyment of economic, social and cultural rights by all people, creating benefits for a small privileged minority at the expense of an increasingly disenfranchised majority,

Noting the statement on globalization and its impact on the enjoyment of economic, social and cultural rights, made by the Committee on Economic, Social and Cultural Rights during its eighteenth session in May 1998, in which the Committee declared that the realms of trade, finance and investment are in no way exempt from human rights obligations and principles, and that the international organizations with specific responsibilities in these areas should play a positive and constructive role in relation to human rights, and called in particular for a careful study of the potential impact of the draft Multilateral Agreement on Investment upon enjoyment of economic, social and cultural rights,

<u>Convinced</u> of the need to re-emphasize the centrality and primacy of human rights obligations in all areas of governance and development, including international and regional trade, investment and financial policies, agreements and practices,

- 1. <u>Emphasizes</u> that the realization of the human rights and fundamental freedoms described in the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and other international and regional human rights instruments is the first and most fundamental responsibility and objective of States in all areas of governance and development;
- 2. <u>Urges</u> United Nations agencies, including the International Monetary Fund and the World Bank, to at all times be conscious of and respect the human rights obligations of the countries with which they work;
- 3. <u>Urges</u> member States of the Organization for Economic Cooperation and Development to review the draft text of the Multilateral Agreement on Investment to ensure that all its provisions are fully consistent with their human rights obligations, and to keep these obligations in mind during any future negotiations on the Agreement;

- 4. <u>Decides</u> to entrust ... with the task of preparing, without financial implications, a working paper on ways and means by which the primacy of human rights norms and standards could be better reflected in, and could better inform, international and regional trade, investment and financial policies, agreements and practices, and how the United Nations human rights bodies and mechanisms could play a central role in this regard;
- 5. Requests ... to include in this paper an analysis of the text of the Multilateral Agreement on Investment from a human rights perspective, and to consider ways to ensure that future negotiations on the MAI or analogous agreements or measures take place within a human rights framework;
- 6. <u>Calls</u> for the Office of the United Nations High Commissioner for Human Rights urgently to develop appropriate expertise to address the human rights implications of international and regional trade, investment and financial policies, agreements and practices;
- 7. <u>Encourages</u> international, national and local human rights non-governmental organizations to development awareness of international trade, investment and financial policies, agreements and practices, and capacity to effectively analyse and monitor the human rights impacts of such policies, agreements and practices;
- 8. <u>Asks</u> the Committee on Economic, Social and Cultural Rights, and other treaty bodies as appropriate, to include consideration of the human rights impacts of international and regional trade, investment and financial measures in their State reporting procedures.
