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The Challenges of Sustainable Development and Globalization from a Human Right's Perspective

Abstract. Nowadays globalization and sustainable development are interconnected economic factors having positive and negative effects on various aspects of human rights. Although the internationalization of human rights and the birth of their so-called third generation can be attributed to globalization, it has increased disparities regardless of anti-discrimination principles of human rights. There is a minimum level of economic development and resources essential for providing full-scale human rights coverage, for this reason both IMF and World Bank has on several occasions been charged with prescribing structural reform projects and shock therapy measures on state budgets, that significantly deteriorated the conditions in the population's economic and social rights. The active participation in the global problem's solution is also an important element of the UN Secretary General's strategy which aims at turning the UN into an international organization that does not watch mass scale human rights abuses silently, is able and willing to act to promote development, security and human dignity in order to achieve global freedom. Not only the active role of the international organizations, but also the decision-making process closer to the levels accessible to people must also be reinforced to improve the human rights dimension of sustainable development.

Keywords: globalization, sustainable development, third generation of human rights, universality of human rights

Globalization is a term widely used these days, with many cherishing its advantages and many warning over its dangers. Globalization itself is a phenomenon that has numerous aspects, it first of all means economic and social trends growing global and consequently various economic and social conflicts becoming international, while their solutions requiring common international actions and cooperation. The recognition that certain backlashes of globalization must be treated on an international level and with a complex, holistic approach has led to the permeation of the idea of sustainable development.

Sustainability or sustainable development emerged in parallel to the growing importance of the aspects of the environment within the scientific community.

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The concept became one of the defining notions of international relations when in 1987 the Environment and Development World Committee of the UN General Assembly published its “Our common future” report outlining the chance of a new era of economic growth. An era where economic expansion comes together with the preservation of natural resources and at the same time brings a solution to the eradication of poverty. Sustainable development is a form of development that satisfies the needs of today without endangering the chance of future generations to satisfy theirs.

Sustainable development rests on three basic pillars: social, economic and environmental aspects. These must be taken into consideration together, along with their interactions when different development programs are constructed. Such holistic approach is generally found in human rights discussions and the provision of human rights is part of sustainable development as well. One aim of sustainable development is to put an end to poverty, to secure social welfare for the generations of the present and the future, thus sustainable economic development is inconceivable without ensuring social rights.

The trend of globalization has adverse effects as the competitive liberal state, the so-called free market model grants priority to individual achievements, selfcare and harsh market competition while state involvement is minimized and government regulations avoided. This model evolved historically in Anglo-Saxon countries, today mostly dominating in the United States. The main characteristic of globalization is the unlimited flow of capital, therefore globalization favors the spreading of the free market model that grants priority to the interests of capital investments. State regulations, administrative institutions devoted to the strengthening of social cohesion limit the interests of capital. Investors counter such limitations by pulling out capital and moving it towards free markets that promise faster returns and greater profit. This is a trend that threatens European social states.¹

Among present social structures it would be unimaginable as well as unacceptable to pull down the social state while rebuilding the total reign of free market competition. This move would not only bring social tensions on a severe, unmanageable scale, but would also lead to controversial results within the economy. Obviously enough if the state cuts its spending for reasons of competitiveness on education for example, then in the long run it can easily

¹ See Szamuely, L.: A globalizáció és a kapitalizmus két alapmodellje I. és II. [Globalization and the Two Basic Models of Capitalism I and II]. *Kritika*, 31 (2002) május és június, http://www.szochalo.hu/index.php?p=news&news_id=2602 and http://www.szochalo.hu/index.php?p=news&news_id=2603. 2005. október 5.

bring about adverse effects due to the reduced quality of labor, thus further eroding overall competitiveness.

As the above example clearly shows, free market economies do not have the necessary self-control mechanisms in place, production and distribution of certain “goods” cannot be trusted to the forces of the market. Labor is one example of such “goods”. Its production requires a great deal of efforts by the state in the fields of demographic policy, education and healthcare draining significant public spendings. Similarly, sound state commitments are necessary for securing long term interests of future generations in environmental issues for instance. Sustainable economic development therefore demands a well balanced approach to social and environmental aspects, an approach that cannot be expected from profit oriented competition on its own, without state intervention.

As a result of the realities of globalization and the requirements of sustainable development, convergence of two models, that of the competitive state and the welfare state, can be anticipated in the long run. In Europe, systems of national economic redistribution need some serious rethinking, but instead of elimination, they must be rationalized. Elements of social services with potential hindering effects on productivity need to be put aside, while means of selfcare should be encouraged including greater involvement of non-governmental organizations. Besides social solidarity, therefore, in order to create good balance, awareness of individual responsibility must also be raised.

Within economies, globalization translates to the spread of the model of the liberal free market state, whereas in a globalizing world resulting in mutual interdependence of states, peoples and individuals in the case of social trends. The effects of trends in one group of states do not stop at their borders, rather end up making the consequences felt in other countries. For the same reason the concept of and demand for global governance are voiced, along with the strengthening of the roles and rebuilding of the foundations of international organizations, particularly the United Nations and its Agencies and the international financial institutions.

Responding to the impacts of globalization, relations between states intensify resulting in significant developments in international law. Although sovereign states remain primary subjects of international legal procedures, as early as the end of 19th century produced international organizations founded to facilitate interstate relations on an even more complex scale and playing a growingly greater role. One result of globalization in international law is “transformed sovereignty”: full powers over domestic issues are “limited” by international commitments and stand to give way to the power to influence decisions made on an international level as the degree of sovereignty. Such

capabilities can be increased by self-limiting classic sovereignty and joining international organizations.

Also in response to the challenges of globalization the scope of the rule of international law expands rapidly, thus making states cooperate in more and more issues of international relations that used to be governed exclusively by domestic powers such as respecting human rights and freedoms. They seek common solutions to problems out of their reach due to the effects of globalization including the protection of the environment, trans-border crime (drugs trafficking), or even filling social gaps such as the struggle against poverty. These issues are gaining momentum in the activities of international organizations.

Globalization itself comprises of several trends with antagonistic effects. The penetration of free trade is usually considered its primary source and manifestation, thus inducing analysis mainly of its economic dimension. Subsequently the relationship between globalization and human rights is primarily approached from the aspect of the impact on human rights by international economic trends. At the same time the impact on globalization by human rights must also be mentioned, as well as those of the revolution in technology and information, and not only from the perspective of economic development, but also the functioning of civil society.

Globalization and the internationalization of human rights and freedoms

The *ideology* of human rights dates back to the formation of bourgeoisie and the civil revolutions, when citizens' demands were translated into freedom rights in constitutions and other documents of constitutional importance against the state and ruling power. Economic development including improvements in infrastructure and travel and also expansion of trade intensified not only state-to-state relations, but also relations among citizens of different states. Intensified relations have brought along phenomena and problems driving states to solve them together, thus requiring international cooperation and international standards of regulation. In the early 20th century, the impacts of economic development reached such an extent that demanded international regulation of labor conditions (first that of child and woman labor), leading to the foundation of the International Labor Organization in 1919. Premature attempts of international human rights regulations included first the protection of rights of foreign citizens, later the regulation (prohibition) of issues on an international scale, such as slave trade and the trafficking of women, but the real driving force towards international law was brought about by the horror of

the WWII. By this time the impacts of globalization reached a level of strength where it became obvious that no state is entitled to do whatever it wants with its own citizens, and that no state can repeatedly ignore human rights without one way or another affecting other countries, mostly by posing a threat to international peace. Therefore internationalization of human rights—namely creation and further rapid development of international human rights regulations—can be attributed to globalization. Fundamental rights previously set in national constitutions were elevated to the level of international obligations by international human rights regulations and later the range of these rights has steadily been extended: besides first and second generation of rights, a third generation is being debated nowadays. In the wake of the evolution of rights, the sphere of those eligible has also expanded. Today, rights protecting every human beings' freedoms are considered universal human rights, while their requirements of substance include not only the protection of certain freedoms, the restraint of the state from intervention, but also rights that require some kind of action from the state (the majority—but not exclusively—falling into the cluster of economic, social and cultural rights). What's more, beyond the relations between state and its citizen, demands to ensure human rights extend to involve relations between one citizen and the other.

There is even a cluster of human rights that not only became international as a result of globalization, but globalization has given birth to them. This latest cluster of so-called third generation human rights (in other words “solidarity rights²”) is viewed by many as “human rights responses given to counter the challenges of globalization”.³ Today it is not clear which rights belong to this group and what exactly their real substance is. Examples are the right to peace as a counterbalance against arms race, the right to a healthy environment calling attention to the dangers of pollution, therefore the surge in the number of challenges of globalization is thickening the catalogue of third generation

² See Mavi, V.: Szolidaritási jogok vagy az emberi jogok harmadik nemzedéke? [Solidarity Rights or the Third Generation of Human Rights?] *Állam- és Jogtudomány*, 30 (1987–1988) 151–173. Viktor Mavi labels the newest generation of human rights to solidarity rights, signing their common background in the solidarity of the people and the nations.

³ See Kardos, G.: *Emberi jogok egy új korszak határán* [The New Era of Human Rights]. Budapest, 1995.; Chapter II. Gábor Kardos defines the third generation of human rights which in his opinion are neither “rights” (since these have no subjective and their subject matter is not clear), and these nor create a generation of rights (since there is no adequate coherence between them) as a human rights response to global problems. Common in these rights the attention to relocate, synthesize, and adopt the global challenges into the system of human rights.

human rights. Nowadays such rights are only in their early stages emerging as solutions to global problems, raising talk about the right to develop and the right to sustainable development.

These rights cannot be fully realized within the boundaries of one state, nor can they, or elements of them, be interpreted—or it is difficult to do so—as subjective rights of the individual against the state. On the other hand they must be considered when discussing individual rights: when the right to health is debated, the “right to a healthy environment” may also be taken into consideration.

The relationship between globalization and human rights and freedoms is not a one-direction route: just as globalization has had its effect on human rights (making some international, while bringing about others), they have affected globalization by making human rights universal and by human rights fostering globalization of civil society.

1. Universality of human rights

Universality of human rights and freedoms can be interpreted in several ways. Distinction may be made on the basis of the universality of forming norms, as well as the universality of their implementation.⁴ Creating norms of human rights under UN statutes is universal in the sense that all UN member states may take part in the debates leading to the wording of draft agreements. State approval of such norms, however, is a great deal less common, meaning a lot fewer states ratify them to be equally binding, while their universality further diminishes when we look at everyday practice or the implementation of those norms. Universality, therefore, applies to the creation of norms, but not to the realization and the respect of human rights.

Taking into account its philosophical background the universality of human rights primarily means that every human being regardless of race, sex, color, religion and any other belief, origin, wealth and so on is entitled to such rights independently from the region, country, social system they may live in. Since the idea of basic human rights emerged from Western ideological concepts of the 1700's (mainly that of enlightenment and natural law) and since regulations of Western and European legal systems are believed to be the most sophisticated representatives, other civilizations (mainly developing countries) frequently argue that human rights are products of the West and its cultural imperialism, thus aimed at nothing, but to impose Western cultural achievements and political

⁴ See Van Reenen, P.: A Culture's Receptiveness for Human Rights; A Preliminary Sketch of a Conceptual Framework. In: *SIM Special*, No. 21. 591–608.

and social philosophies on Third World countries. Such countries commonly praise cultural relativism over the universality of human rights.

Tensions between universality and cultural relativism highlights the fact that besides globalization, symptoms of fragmentation are also present in international affairs. This is apparent in the relationship between universality and regionalism concerning human rights.

Globalization is driven by mutual interconnections, while enhancing them in the meantime. The principle of human rights being mutually interdependent is only one aspect as it is evident that human rights and various generations of human rights are linked so closely to one another that disregard for one of the rights deprives the benefits of another. It is equally important to point out that human rights cannot be thoroughly enjoyed in any corner of the world with mass human rights violations elsewhere. As the threat it poses to world peace may seem obvious, human floods of refugees often induce large-scale tensions “exporting” legal offences from the countries of origin. Recipient or target countries then come under enormous public pressure as social welfare systems become compromised, inhuman conditions in refugee camps make it to the headlines and acts of racism and intolerance become more and more frequent.

Such close links often manifest in the interaction of cultures. The western legal culture and human rights philosophies focus on individualism and historically argue in favor of rights rather than duties, whereas non-Western societies traditionally emphasize obligations to the community over individual freedoms. As a consequence of a better understanding between cultures, non-Western approaches may eventually acknowledge a new, complex set of individual choices and obligations and also Western philosophy may incorporate collective duties.⁵ The impacts of Buddhism have already appeared in Western thinking as reflected in environmentalists’ attitudes to the rights of future generations. The idea of collective duties towards the greater community is getting more attention as recognition of economic and social rights is established, although providing these rights remain the responsibilities of social solidarity (by for example means of social redistribution and NGO efforts). Western countries could serve as examples for successful adoption and vindication of economic and social rights alongside with civil and political principles. These examples prove that individual rights and freedoms—often labeled as creations of the West—can peacefully coexist with collective norms and accepting the value of individualism allows for reconciliation with the solidarity found among citizens. Of course, liberal views have long nodded at society’s common

⁵ See Pollis, A.: Towards a New Universalism; Reconstruction and Dialogue. *Netherlands Quarterly of Human Rights*, 16 (1998) 5–23.

boundaries of individual freedoms and acts; even the concept of social contract outlines rights to be valid within the community. Freedoms are not at all limitless in modern international law as it is clearly highlighted in human rights declarations: in the case of civil and political rights the interests of society and the need to protect the rights of fellow citizens justify certain forms of restrictions with various extent. Upon imposition of such limitations the countries' unique social and cultural features may also be taken into consideration.

Human rights universality does not contradict the idea of diversity among societies and cultures, as universality is never intended to mean uniformity.⁶ Nor can it mean cultural uniformity, as human rights only draw a bottom line in the minimum conditions for individual and collective well-being.⁷ Universality sets certain fundamental values inalienably entitled to all members of the human family based on their biological and social needs and musts. Such values include life (free of fear and suffering), basic health and human dignity. Human rights represent exactly these values, although their actual manifestation and effect may vary from one culture to another. Human rights philosophies have two principal cornerstones: prohibition of discrimination and tolerance that is respect for the rights of others. All in all universality should be viewed in the light of these two fundamental principles and values, as it tolerates every culture unless it ignores basic human rights-values treasured by an overwhelming majority of civilizations.

2. *The effects of economic globalization on human rights performance*

In general, globalization is attributed to the impacts of certain economic factors, namely the liberalization of market interests and world trade. Economic factors on the other hand have a great influence on attitudes to human rights. In the case of economic, social and cultural rights there is a more or less direct correlation as the state's capabilities to implement corresponding and necessary government actions are limited by its economic conditions. The concept is present in numerous international agreements, primarily in the Universal Decla-

⁶ See Kuitenbrouwer, M.: Perspective on the Huntington Debate 574. In: *To Baehr in our minds: essays on human rights from the heart of the Netherlands*. Bulterman, Mielle 1998. *SIM Special*; no. 21.

Follows from the peculiarity of the international regulation of human rights that it does not aim to achieve uniformity since it is subsidiary and defines a minimum assumption of human rights.

⁷ See Freeman, M.: Human Rights and Real Cultures: Towards a Dialogue on 'Asian Values'. *Netherlands Quarterly of Human Rights*, 16 (1998) 25–39, at 37.

ration of Economic, Social and Cultural Rights, allowing states to allocate dedicated resources within their financial limits. This close relationship works only in one direction though; hence protecting human rights requires a certain level of economic development, whereas high industrial output lacking further political will and action does not necessarily mean effective human rights responses. It is generally true that providing all the economic, social and cultural rights puts an enormous budgetary pressure on the state, although some rights of this sort, for example the right to form labor unions costs significantly less than others, of course practically even these expenses are pushed over to the private sector, mainly to business units as employers. Also true, that certain civil and political rights claim a bigger portion of the budget cake as does the court system enabling fair legal protection or the voting process in democratic elections—the costs of democratic institutions as a whole. With regard to mutual interconnection of human rights, the conclusion may be drawn that since the two major groups of freedoms can only be provided together with one another, there is a minimum level of economic development and resources essential for providing full-scale human rights coverage. Consequently, trade liberalization and integration, if healthy for economic growth, can have a positive impact on the realization of human rights.

Another aspect of the relationship between human rights and the economy is the way everyday human rights practices influence the economy. Deprivation of classic rights can in the long run lead to economic recession, as seen among the countries of the former communist block, market stability on the other hand—on both national and international level—presumes political stability, which in the end relies on a basic standard of civil and political rights conditions. Realization and practice of these rights have proved inseparable from those of economic, social and cultural rights; realization of one branch of rights requires respect for the other on the basis that neither of the branches is superior or more important (theory of mutual interdependence among human rights). A successfully completed economic liberalization gives way to new centers of public administration and decision making with clearly defined functions, eventually leading to political liberalization⁸, and subsequently the new middle class can push for improvements in democratic standards.⁹ Economic growth therefore triggers social demands for democratic rights, flawless human rights

⁸ See Monshipouri, M.: The Muslim World Half a Century after the Universal Declaration of Human Rights: Progress and Obstacles. *Netherlands Quarterly of Human Rights*, 16 (1998) 287–314.

⁹ See Huntington, S. P.: *A civilizációk összecsapása és a világrend átalakulása* [The Clash of Civilizations]. Budapest, 1998. 320.

conditions contribute to political stability, which as a result encourages investors fueling business growth after all.

Political studies found that long-term economic uphill favors degradation of traditional or material values (such as work, family, prestige) and a renaissance of postmodern, post-material values (such as democracy, human rights and protection of the environment). A value shift of this kind has frequently been a key factor in democratic consolidation processes in Latin America and Asia. The shift is by no means irreversible; following sudden economic downfalls even Western societies show signs of revaluation among historic and mundane achievements at the expense of democratic values.¹⁰ The phenomenon serves as a bright example for inseparable and mutually interdependent human rights, equally important civil and political and also economic, social and cultural freedoms. Attention usually turns to certain abused rights as human life can only be complete with the full set of values represented in these human rights. Despite such an obvious relationship, economic and social rights are also known to boost tax rates and the price of labor thus holding back effectiveness and competitiveness, no wonder they are not so much welcome among corporate leaders. These issues can be alleviated by the world community's harmonized efforts to provide economic and social rights.

Competitive advantages resulting from an artificially low level of economic and social rights, often referred to as social dumping have previously stirred up resistance from international organizations. The struggle has always been a major driving force behind the development of, among other economic institutions of integration, the European Community and the World Trade Organization, promoter of worldwide quota liberalization.¹¹ For the very same reasons human rights aspects are starting to take hold in the activities and policies of international financial institutions – although in many cases confined to rhetorics only.¹²

Besides labor conditions, globalization has a rather negative effect on various aspects of human rights. Globalization has increased disparities regardless of anti-discrimination principles of human rights. Economic and social differences have always been there, globalization only made things worse. Social gaps and poverty are on the rise and globalization exclusively fruits for very limited

¹⁰ See Kuitenbrouwer: *op. cit.* 572.

¹¹ WTO has already made some undertakings in this direction. See Farkas, O.: *Az Európai Unió szociális joga és szociálpolitikája* [Social Law and Social Policy of the European Union]. Szeged, 1998. 174.

¹² See Szentessy, K.: A Világbank és az emberi jogok [The World Bank and Human Rights]. *Acta Humana*, 16 (2005) 69–81.

fractions of the population, distinctions made on the basis of geographical location, income and language used in telecommunication. Urban and rural ways of life have come oceans apart and disparities in future prospects divide continents not only by the historic trenches between North and South, but within the developed world bringing more and more racial discrimination along. Particularly hard hit were women in the developing world: besides generally accepted achievements mass proportions of women's employment have resulted in thousands of underpaid women flooding suburban areas all over the developing world. Rootless, hungry and desperate, many end up as victims of prostitution or trafficking. Nevertheless, globalization is not always a direct cause of brand new human rights abuses, it has simply drawn excess attention to previously identified, but long ignored issues.¹³ Well in line with the principles of global governance, these phenomena have come in the center of the attention of international organizations as essential elements of the making of political programs.

Globalization is not only a sum of consequences of business trends, but it is indeed influenced greatly by political currents. Market conditions are in the hands of politics and the rules of the game are constantly being shaped through power talks at both bi and multilateral round tables, such as at the World Trade Organization.¹⁴ To identify political dimensions in globalization one has to simply remind of the growing number of ideas about global government, supporters proposing for extended UN institutional authority to cope with global issues.

Present institutions of the global governing system have in the past been selectively sensitive to global issues, most UN agencies have dealt with various aspects of development and globalization. Among others, the UN Development Program (UNDP) presses that strategic reforms in any economy must coincide with an appropriate social welfare policy able to withstand the negative effects of market forces. Its 1999 annual overview, the Human Development Report stressed out that the institutions of global governing system need to be reoriented in order to successfully maintain fairness during international negotiations.

¹³ See Howse, R.–Mutua, M.: Protecting Human Rights in a Global Economy. Challenges for the World Trade Organization. International Centre for Human Rights and Democratic Development. <http://www.ichrdd.ca/111/english/commdoc/publications/globalization/wtoRightsGlob.html>

¹⁴ See Oloka-Onyango, J.–Udagama, D.: The realization of economic, social and cultural rights: Globalization and its impact on the full enjoyment of human rights. Preliminary report to the Sub-Commission on the Promotion and Protection of Human Rights. UN Doc. E/CN.4/Sub.2/2000/13. <http://www.unhchr.ch>

Human rights institutions founded by the United Nations Charter (the Economic and Social Council, the Human Rights Council and its sub-commissions) often address different issues of globalization, however linked human rights bodies show less ambition in doing so. The majority of attention came from the Committee on Economic, Social and Cultural Rights. In May, 1998 the Committee turned to the World Bank, the International Monetary Fund (IMF) and the WTO to implement appropriate methods to probe real public impact on human rights brought about by their measures (social monitoring). The Committee declared: country reports are evaluated with respect to international economic policies, which greatly influence a state's capabilities to do her duties set forth by the Universal Declaration. In the general comment section of the right to food, the Committee addressed the issue of food safety affected by globalization, the responsibility of private organizations and the obligations of states to properly regulate private and corporate activities, and highlighted the stakes involved as international organizations must keep the right to food in mind while setting up policies and trying to enforce them.¹⁵

An exceptionally high amount of criticism hits international economic and financial institutions from human rights perspectives. Both World Bank and the IMF has on several occasions been charged with prescribing structural reform projects and shock therapy measures on state budgets, that significantly deteriorated the conditions in the population's economic and social rights. The WTO has been blamed before for its praise for trade liberalization and competitive advantages resulting from cheap labor. As an outcome, critics say, Labor Code minimums and social welfare standards decline, causing after all, or at least threatening with, downward-harmonization of a sort. In order to restore balance, industrial countries and labor unions have urged a so-called social clause to be annexed into trade agreements. These steps are not at all welcome among developing countries, who see it as covert protectionism of the developed. Studies conducted by international economic workshops on the other hand show that although some corporate decisions are actually based on exploitation-generated low cost advantages, poor or lacking Labor Code standards do not attract investments exponentially as many business entities anticipate social discontent and unrest along, not mentioning the emerging danger of customer boycott. Countless multinational corporations have set their own business policies containing additional human rights remarks, much encouraged by the governments of industrial nations in case of public procurement procedures for instance. Such initiations can easily confront WTO guidelines concerning procurement conditions and the elimination of technical

¹⁵ *Ibid.*

trade obstacles, thus bringing WTO sanctions. To avoid WTO getting in the way of human rights vindication in the process of globalization, experts suggest promoting the principle of human rights primacy over any other contractual commitments in international law. And if free trade agreements are to be reconciled with human rights obligations, steps in human rights development will hardly clash with WTO regulations again.¹⁶

Besides certain conceptual issues, international economic and financial institutions receive complaints for their formal-organizational structure for ignoring human rights principles. Among the insufficiencies in the structure such as the dominance of developed countries and a marginal position of the developing part of the world in decision making procedures, operational defects are also believed to include lack of publicity and transparency and also unwillingness to consult with civil groups. One of the establishments that has gone farther than others on this way is the World Bank as it started listening to what civil societies have had to say and took up pioneering human rights conditionality (linking loan commitments to certain human rights conditions). The IMF is slightly behind as the Fund only made some progress in information availability and is yet to implement all other components of transparency and responsibility.¹⁷

During the struggle against the negative effects of globalization there is a growing consensus that besides states, international organizations and multinational companies should also be held accountable by the world community in order for more efficient human rights protection. It is now widely believed that states' mandates stretch further than their own international human rights obligations in respecting those rights, but they also need to compel all citizens and organizations within their jurisdiction to follow the course. At the present time the world community faces the unique challenge of multinational business activity, which thrives on all the economic benefits of globalization, while neglects any pressure to compensate for the disadvantages. All this is a result of their overwhelming economic power, which smaller states cannot even dream to be a match for, and bigger countries find it just as hard to exercise jurisdiction over business units of such mobility.

In order to keep transnational business activities within the boundaries of human rights, in 1999 the UN Secretary-General launched the Global Compact program intended to provide a reinforced framework for promoting

¹⁶ See Allmand, W.: Trading in human rights: The need for human rights sensitivity at the World Trade Organization. International Centre for Human Rights and Democratic Development, <http://www.ichrdd.ca/111/english/commdoc/publications/globalAllmand.html>

¹⁷ Oloka-Onyango-Udagama: *op. cit.*

cooperation between the international business community and the UN and to directly integrate the efforts of the corporate sector to comply with universal human rights norms. According to Global Compact, companies are to lay down business policies and internal ethics coherent with international human rights and labor law guidelines. The aim is to encourage corporations not only to implement respective working and employment conditions for their very own colleagues, but also to demand that subcontractors do likewise. They can incorporate policy restrictions to exclude investments targeting economic areas with disregard to human rights. Corporate giants have by now realized the need to take the lead as respect for human rights values has become crucial in improving production figures, too. Firstly, increasing consumer awareness puts the pressure on market competitors to guarantee their workers' basic human rights, as well as environmental and animal treatment minimums. Secondly, respect for underlying principles set forth in the Universal Declaration of Human Rights greatly contributes to the stabilization of a constitutional state, creating a more effective, more placid business climate. It is also more and more widely believed that staff members work better if contented, thus treated with respect and dignity. In investment target and trade partner countries promotion of human rights norms serves the best interests of the business sector as developed countries have lately been imposing trade sanctions on states with contempt for basic rights – sanctions obstructing free trade. Multi-national companies hope for borderless business opportunities and open markets, however these features along with human rights conditions can be improved by sponsoring local welfare, healthcare and educational infrastructure or by disseminating the concept of human rights and supporting civil groups' efforts.¹⁸ The International Labor Organization has a particularly important role in pushing transnational companies to follow such responsible practices, as the ILO's tripartite organizational and decision-making system ensure employers' interests and experience to be reflected in creating international norms. This way "volunteer law-abiding" of transnational organizations (although these norms are no more than soft laws) can better be guaranteed.¹⁹

There is growing demand for companies to demonstrate corporate social responsibility (CSR), which goes further than the usual state regulations. Socially

¹⁸ See Business and Human Rights: A Progress Report. <http://www.unhchr.ch/business.htm>

¹⁹ See Kaponyi, E.: A multinacionális vállalatokra vonatkozó szabályozási kísérletek, különös tekintettel az ILO és az OECD deklarációira [Attempts of Regulation Relating Multinational Corporations, with a Special Regard to the Declarations of ILO and OECD], *Acta Humana*, 16 (2005) 52–68.

responsible investments essentially mean that in accordance with the requirements of sustainable development, social, environmental and ethical aspects are also considered. Specialized institutions rate enterprises against non-economic criteria, and investors are invited to make their decisions based on these scores. In some cases even states support the use of this practice by requiring pension funds to declare their investment policies regarding social, ecological and ethical aspects.²⁰ Consequently, the conscious citizen sensitive to such aspects has a choice to make about which pension fund to opt for and what sort of investments to prefer.

3. The role of human rights in the evolution of the organizations of global governance

As mentioned earlier, several international organizations have made steps in order to adjust their activity to comply with human rights requirements. The long-anticipated reform of the United Nations aims at strengthening the human rights aspect of the solutions to global issues.

In March 2005 the UN Secretary-General submitted a report for the General Assembly on his proposals on how to tackle global issues facing the organization and the organizational reform necessary for any efficient remedies.²¹ The Secretary-General offered a clustered analysis of the most urgent global problems and the required response from the side of the international community along the aspects of development, security and human rights, in other words the three freedoms: the freedom from want, the freedom from fear and the freedom to live in dignity. In connection with securing lives in dignity, a universal enforcement of the protection of human rights became the single most important task beside support for the rule of law and the establishment and strengthening of democracy. The Secretary-General acknowledged that despite the results of creating legal norms, implementation of such norms lacks real success. As a consequence, the authority of supervisory bodies monitoring human rights must be reinforced, as well as the roles of the human rights high commissioner and his or her office in preventing and solving conflicts and in supporting the establishment of national capacities of human rights institutions must be improved. During everyday practice it has become obvious that human rights aspects increasingly need to be taken into account in resolutions with

²⁰ See Brunzel, B.: A fenntartható fejlődés egy lehetséges forgatókönyve [A Possible Scenario of the Sustainable Development]. *eVilág*, 2 (2004) 13–15.

²¹ See In larger freedom: towards development, security and human rights for all. Report of the Secretary General. Doc. A/59/2005.

impact on international peace and stability even in the Security Council, as the integration of human rights aspects (“mainstreaming human rights”) on all levels of decision-making gains more and more attention. Demonstrating the growing importance of the human rights aspects and aims, the Secretary-General introduced a proposal to reform the Human Rights Council.

The founders of the UN went on to establish three committees in the line of the main UN organs: the Security Council, the Economic and Social Council and the Trusteeship Council. The last of the three has lost all of its functions, while the Security Council receives criticism over its anachronistic composition, making its organizational structure ever more ripe for reforms. According to the Secretary-General’s proposal the seats of the Security Council must be reshuffled and expanded with respect to the principles of representativity and legitimacy; the coordinative role of the Economic and Social Council must be strengthened throughout the world’s economic decision-making procedures and development cooperations as well as in the dialogues and consultations with the organizations of the civil society; to the replace the emptied Trusteeship Council, a new Council of Human Rights will have to be created either as one of the UN’s principal bodies or the as a support mechanism to the General Assembly. In contrast to the present Human Rights Council—left with eroded credibility as states have tended to struggle for membership not so much to promote respect for human rights, but rather to prevent their own human rights abuses from being discussed on the agendas or to point a finger at other states—the new Council would be a smaller and permanent organ, whose members could be elected for a definite period of time by a 2/3 majority of the General Assembly.

All in all, the Secretary-General’s proposal aims at turning the UN into an international organization that does not watch mass scale human rights abuses silently, is able and willing to act to promote development, security and human dignity in order to achieve global freedom.

4. The human rights dimension of sustainable development

The main goal of sustainable development is promoting social welfare within the limits of the supportive capabilities of the environment. That means the concept of sustainable development can undisputedly be linked to the respect for economic and social rights. Keeping the principle of mutual interdependence in mind, these rights cannot be guaranteed without civil and political rights, therefore sustainable development involves the strengthening of democratic societies respecting civil and political rights.

It is a strong argument that among the criteria for sustainability and the basic principle of sustainable development, the requirement of subsidiarity is also present. As a result of globalization, the levels of decision-making are farther and farther from the individual, while the process of decision-making is becoming more and more obscure—leading to alienating people from public life and politics. The concept of subsidiarity, however, aims at rendering decisions back, closer to the levels accessible to people, self-governing systems of local communities must also be reinforced. When they get nearer to decision-making, people's perception of freedom as well as their sense of responsibility improve. The decision-making process relies on a cascade of negotiating interests on the levels of larger and larger community structures, and such negotiations ensure that various factors of sustainable development, different economic, environmental and social interests are considered and harmonized.²²

In numerous aspects of life, globalization has impacted overall respect of human rights in a negative way, particularly by exaggerating inequalities. One of the aims of sustainable development is to eliminate such disparities. In the struggle against the negative effects of globalization, the role of the organizations of civil society and their international cooperation is increasing. Helping them in this struggle is the arsenal of essential tools provided by the development of information technology—one of the engines of globalization. The complete realization of human rights is therefore inseparable from sustainable development.

²² See Gyulai I.: A fenntarthatóság értelmezése és megvalósításának feltételei [Interpreting Sustainability and the Conditions of Its Realization]. *eVilág*, 2 (2004) 8–12.