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The MDGs and the (New) International Economic Order

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The MDGs and the (New) International Economic Order

Abstract

The current economic crisis has indeed had far-reaching consequences beyond the “developed world” where the crisis originated. Yet, significantly, the impact of the crisis on the “developing world” has varied quite considerably. While parts of sub-Saharan Africa may have suffered as a consequence of rising food prices and reduced aid flows, other regions have fared considerably better. It is too early to talk about the decoupling of “frontier markets” (to use investment analyst jargon) from developed markets. Yet the solid performance of most Latin American and Asian economies in recent years raises interesting questions regarding the international economic system and the prospects for reducing poverty levels for large sectors of the population of the developing world.

Keywords

Human rights, United Nations Millennium Development Goals Summit, Global economy, Global community

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The MDGs and the (New) International Economic Order

by Par Engstrom

The current economic crisis has indeed had far-reaching consequences beyond the “developed world” where the crisis originated. Yet, significantly, the impact of the crisis on the “developing world” has varied quite considerably. While parts of sub-Saharan Africa may have suffered as a consequence of rising food prices and reduced aid flows, other regions have fared considerably better. It is too early to talk about the decoupling of “frontier markets” (to use investment analyst jargon) from developed markets. Yet the solid performance of most Latin American and Asian economies in recent years raises interesting questions regarding the international economic system and the prospects for reducing poverty levels for large sectors of the population of the developing world.

The current buoyant economies of countries such as Brazil, China, and India have for many highlighted a stark contrast with the recession-struck economies of Europe and the US. For some, such contrasts indicate fundamental shifts in the global economy toward the “Global South” and herald the future of the world order. A major concern of US and European policymakers has been how to grapple with the notion that their era of dominance in world affairs is being fundamentally challenged. The growing power and influence of emerging states will clearly shape international development debates as well. Indeed, the rising economic influence of China (and India) in Africa, for example, has been a major concern for many traditional donors in that region. With the increasing clout of emerging countries in the foreign aid regime, the principles and “best practices” that have shaped that regime—for example with regards to the [DAC](#) (the OECD Development Assistance Committee) principles and the anti-corruption agenda—may face gradual erosion.

Yet, as the emerging economies continue to grow, they will have to manage increasing expectations that they *should* play a more active and forceful role in the foreign aid regime and that they should shoulder a greater burden in response to humanitarian emergencies, for example. This has significant implications for the foreign aid regime, as one cannot assume that emerging powers will simply be absorbed into the current global order. Countries such as Brazil, China, India, and South Africa are not likely to develop approaches to poverty alleviation in line with the “moral consensus” that Philippe Douste-Blazy refers to. In particular, these countries have traditionally emphasized the importance of protections from external interference and have opposed the idea and practice of coercive and intrusive interventions, whether these be military or economic in nature. Hence, rather than requesting increases in overseas development assistance (ODA), many developing countries are increasingly assertive in their demands for reforms of international trade and financial institutions which, they argue, better serve the interests of the rich and powerful than the needs of poorer countries.

The achievement of the Millennium Development Goals (MDGs), therefore, is not simply a matter of an increase in ODA flows, the creation of “innovative financing mechanisms,” or the effective implementation of development policy. Broadly speaking, much of the development policy debate has tended to focus on three sets of issues: economic reforms to establish macroeconomic stability; institutions and “governance,” and their role in the enforcement of the rule of law and targeting of corruption; and an emphasis on “participation” as a way of involving

people in decisions that affect them and their communities. This overlooks, however, the structural constraints that impede economic growth and human development for many developing societies. True, [MDG8](#), with a focus on a “Global Partnership for Development,” seeks to address these structural constraints. It emphasizes the imperative for developed countries to provide financial resources, but also to support the creation of a fairer trade regime to respond to the needs of developing countries. However, in large part due to the economic crisis, the more far-reaching reform agenda incorporated in MDG8 concerning trade, the reduction of tariffs and quotas, the untying of aid, and debt relief has effectively stalled. Any progress on this front requires far more than another UN Summit.

Par Engstrom is lecturer in human rights at the Human Rights Consortium, School of Advanced Study, University of London, and teaches at the Institute of Commonwealth Studies and the Institute for the Study of the Americas. Current research interests focus on regional human rights institutions both comparatively and with a particular reference to the Inter-American Human Rights System. Further research interests include the relationship between human rights and democratization; transitional justice; the international relations of the Americas; human rights, humanitarianism, and foreign policy; and theories of international relations, particularly relating to international law and institutions. <http://sas.academia.edu/ParEngstrom/About>