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World Debt and the Human Condition, Structural Adjustment and the Right to Development

REVIEWED BY ACHIM KÖDDELMANN*

WORLD DEBT AND THE HUMAN CONDITION, STRUCTURAL ADJUSTMENT AND THE RIGHT TO DEVELOPMENT; Edited by Ved P. Nanda, George W. Shepherd, Jr., and Eileen McCarthy-Arnolds; Greenwood Press, Westport, Connecticut (1994); ($55.00); ISBN 0-313-28531-4; 249 pp. (hardcover).

The theme of this book is the moral imperative to foster the human condition by means of structural adjustment, grounded in the right to development. In four sections, this book organizes papers originally presented at the University of Denver in 1990. Yet, it transcends by far ordinary conference proceedings. Although the varied chapters explicitly present diverse viewpoints, the implicit common thesis envisions the possible improvement of current conditions. The authors link concerns of poverty reduction and the right to development with the debt crisis. The threat of further deterioration to the abject living conditions for millions of people in developing countries and debtor nations forges an uncommon coalition. Recognizing the necessity to formulate commonly acceptable solutions for imminent problems, the editors have united scholars from different ideological and theoretical backgrounds toward a common goal. Represented are Non-Governmental Organizations (NGOs), lawyers, legal scholars, economists, political scientists, theologians, and World Bank representatives. Although a synthesis is not easily achieved, the essays cumulatively characterize the world debt crisis as a human rights issue.

Scholarly papers, such as these, that address the challenges of global development are regarded as conveyors of responsibility from one generation to the next. Such “activism” could appear to violate the true spirit of scholarly inquiry, but it merely transcends it. Using predominantly African cases, different adjustment programs are developed

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against a common theoretical background. The essays are bound together by their attempt to advance the solution of urgent social problems by theoretical inquiry. Beyond discrepancies inherent to divergent political and philosophical positions, the manifest problems of the world debt crisis demand a common solution. Debates about the validity of natural law or divine revelation shrink in comparison to the acknowledged need for improvement of the human condition, so the discussion of the foundation of human rights could be omitted. Yet, realistic solutions are advanced. While some of the articles suggest that a disaster must be averted, others respond with ways to accomplish that. The exceptional quality of this volume is to temper idealistic humanitarian efforts with appropriate financial and economic suggestions. Beyond Western scholarship, it leaves room for the cooperative participation of affected people.

Ved Nanda's opening remarks are followed by Joan Nelson's identification of emerging compromises between North and South. She associates the worldwide trend toward political reform — an optimism somewhat tempered by recent developments — with an anticipated universal consciousness regarding poverty and fundamental human rights. The essay provides an overview of an emerging consensus on macroeconomic stabilization. K.N.M. Sonko's contribution blames the debt recovery project for the human costs in sub-Saharan Africa. This case study exemplifies the vicious circle of interdependence, responsible for the current crisis, and advocates debt-forgiveness. Sonko's narrower focus aptly illustrates concerns that may be missed by addressing the debt crisis from a global perspective.

The second section illuminates the importance of human rights in the context of the particular right to development. Ved Nanda appraises the right to development from a legal perspective, linking theory and practice. Besides the necessary theoretical discussion of the underpinnings, it shows the likely road towards implementation of rights that currently only exist in theory. He rejects all endeavors to limit international law to "realpolitik." This key article develops the philosophical, legal, and historical perspective of the "right to development." Nanda proves a valuable guide through often unclear and imprecise definitions of the "ideals" subsumed under this right. He defines the solidarity (group) right to development as a complex combination of the generally accepted concept of the human person, on the one hand, and the participation principle on the other hand. The latter — controversial — principle unites individual human rights with peoples interests (at 46). In keeping with the tenor of the book, this contribution declines to indulge in the debate between individual and collective human rights, concentrating on a readily accepted tenet: a human centered concept of development. Nanda evaluates NGO recommendations recognizing that the proposals by the Global Consultation will lack implementation if the "will for the establishment of a just world order" (at 58) remains a mere lip service. Nanda combines the theoretical
approach with an appeal for action at the regional and grassroots level, and, of course, in international forums.

In “The African Right to Development and Adjustment: World Policy and the Debt Crisis,” George W. Shepherd speaks about the correlation between the right to development and the development of democratic structures. Shepherd concludes that the World Bank projections are too general. He recommends alternative policies developed from the grassroots through the international level (at 91).

Part three groups articles with a primarily economical focus. World Bank and IMF activities are analyzed with poverty reduction considered the primary objective. Haider Ali Khan studies the impact of the economic modeling of structural adjustment on the human condition. Khan suggests that both the World Bank and IMF are satisfactory for addressing the mere monetary-financial aspects of structural adjustment, yet they “lack adequate integration of the real and financial sectors” (at 104). After an empirical analysis of the IMF financial programming and dubious macroeconomic effects of IMF prescriptions, Khan discusses the division of labor with the World Bank. Negligence on the part of the World Bank and IMF regarding distributional issues limits the application of the classical structural adjustment process (SAP). Khan further explains why new multisectoral models based on social accounting matrices (SAMs) are preferable (at 101). To be effective, forms of bilateral aid have to be replaced by multilateral financial efforts that reflect the global dimension of the crisis. Anticipating the GATT debate, Khan emphasizes that this endeavor is promising only if financial efforts to help are not made vain by protectionism, especially by developed countries. All other attempts to improve the current situation by using SAPs indiscriminately can only be achieved at the expense of the poor.

Following this analysis of the theoretical underpinnings of the link between a deteriorating human condition and the debt crisis, F. L. Osunsade addresses the necessity to replace anonymous, international efforts by targeted actions “focusing on identified needs of well-defined population groups” (at 110), which should be integrated by international organizational cooperation. The succeeding essay by Will H. More and James R. Scarritt offers “an explanatory analysis” of IMF policy in Black Africa. Data presented on twenty eight African nations support the criticisms of IMF imposed monetary strategies and their destabilizing and autocracy-promoting effects.

From an NGO perspective, the fourth section of the volume attempts to highlight the contributions that international law has made toward facilitating participation of affected peoples into the development process. The first paper, written by Paula Rhodes and Eileen McCarthy-Arnolds, oscillates between the attempt to salvage the — inherently negative — term “NGO” and the effort to combine an empirical study of NGOs with normative statements about their prospective
role in international law. The problem arises because they link a questionable description of what is, with what ought to be.

More apocalyptic is the analysis of discriminating policies in the international debt crisis by John Cavanagh. Before the ethical dilemma about, "who should pay?" is solved, a solution cannot be formulated. Therefore, it is only logical that the concluding essay by George W. Shepherd, Jr. associates the right to development with ethics — i.e., a convergence of the aims of traditional ethical approaches, from Hinduism to Christianity. For Shepherd, justice, not efficiency, is the criterion to judge. His appeal for the declaration of a "jubilee year of debt forgiveness," however, will probably fall on deaf ears. Yet, his belief that only reciprocal worldwide efforts will solve the problems, as enumerated in this volume, will probably be heard. The integrative aim to implement the right to development brings opposites together. Ved Nanda's introduction and George Shepherd's conclusion bind together what would otherwise be a patchwork of ideas. From different perspectives, both advocate a vision incorporating legal, ethical, and financial principles. This diverse but focused volume will help to ensure that the progress of development in the 1990's will achieve the prescribed goals.