The Protection of Non-economic Values and the Evolution of International Economic Organizations

The Case of the World Bank

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1 Economic Globalization, Global Economic Governance and the Protection of Non-Economic Values

The relationship between market needs and values of other nature, generally defined as non-trade/economic values/concerns, has become a central theme in the debate on economic globalization from the moment the need for ‘sustainable’ globalization became ever more evident, turning not only to economic growth but also to the protection of interests not strictly economic, such as, for example, human rights, the environment, the preservation of cultural identities.

This theme is connected, of course, to a different notion of development, stemming in particular from the gradual integration of this concept with the protection of human rights, which resulted precisely in the emergence of a rights-based approach to development and the related right to develop. This broad concept of development, which is particularly obvious in the Declaration on the Right to Development adopted by the General Assembly (GA) of the United Nations (UN) in 1986, is by now generally accepted.

The reconciliation between apparently conflicting needs and interests, even though all deserving of equal protection, is one of the most delicate aspects of global economic governance. In such a scenario it is necessary, therefore, to

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reflect on the present and future role of international economic organizations in the promotion and protection of non-economic values and, consequently, on the possible evolution of their mandates.

Indeed, the new concept of development, established at the international level, has led several international organizations working in this field to assess the operational implications of the relationship between economic growth and the values of other nature, often entailing an expansion of their functions and responsibilities. In this context, international economic organizations, of both a regional nature and a universal vocation, have gradually, in the implementation of their statutory objectives, devoted greater attention to the individual and space for the protection of non-economic values.

With regard to the World Bank (WB), in particular, such a phenomenon, quite in contrast to its original statutory mandate, is manifested not so much in terms of regulation as in the practice of the Organization, wherein a solution has been found for the apparent conflict.

Moreover, as we shall see, this new approach has resulted, within the WB, in a major institutional change: in fact, in 1993, the Inspection Panel was established, the first example of the constitution by an international economic organization of an organ in order to allow non-State actors to appeal against the international organization, permitting oversight of its conduct.

2 The Promotion and Protection of Human Rights by International Economic Organizations

The safeguard of human rights, on the one hand, and the promotion and protection of interests of a strictly economic nature, on the other, have long been considered incompatible.

In a strictly legal sense, the issue considered is at the heart of the potentially conflicting relationship or, at least, of mutual ‘indifference’, between two branches of international law: international economic law, aimed primarily at

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4 See Report of the Intergovernmental Group of Experts on the Right to Development on its second session (Geneva, 29 Oct. 1997), UN Doc. E/CN.4/1998/29, Sections 40–41 (daccess-dds-ny.un.org). See on this topic Shihata, “Human Rights,” 28, stating that, ‘[t]he pressing issue should be further distinguished from the policy question of whether the charters of international financial institutions should be amended to enable them to serve all the purposes of development. In other words, the question which must be asked is whether these institutions should be required to move beyond addressing freedom from poverty, into the realm of addressing all types of freedoms’.