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For an effective reform of the Bretton Woods institutions

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The debate on the reform of the Bretton Woods institutions is once again on the agenda, at the occasion of the Annual meetings of the World Bank and the IMF.

The FIDH welcomes the fact that development and fight against poverty have been placed at the center of this year's debates. More generally, the FIDH views the evolution of the two institutions positively, as they have shifted from an undifferenciated and dogmatic implementation of macro-economic recipes based on the Washington consensus to the integration of a more political dimension in their reforms. The rehabilitation of the role of the State, and the growing partnership with civil society are signs thereof.

The FIDH nonetheless wonders why the reform documents never mention the international human rights instruments -or merely in an elliptical reference.

The FIDH notes that, though functionally independent of the UN as specialised agencies, the World Bank and the IMF should not be above international human rights law, which applies unconditionnally to all institutions - and not merely to states. The Universal Declaration of Human rights states that all organs of society should promote human rights and work towards their effective fulfilment.

The Bretton Woods institutions are therefore bound to respect human rights in the conception and implementation of their policies and programs. It is far from being the case today, as is shown with the example of structural adjustment policies: their negative impact on human rights is now widely acknowledged - including by the human rights bodies of the United Nations. In this respect, the FIDH regrets that the World Bank, which in its latest report provides an insight into the causes of poverty, fails to fairly and impartially evaluate its own policies: at no point does it acknowledge its own responsibility in the increase of poverty in adjusted countries. The credibility of the World Bank's shift to social issues can hence be questioned.

As to the financial support of the World Bank to development projects, the FIDH notes that the intervention of an international public organisation, the mission of which is to work towards development, too often leads to disproportionately favouring the interests of private international companies (see FIDH report on the Chad-Cameroon petroleum project, released July 2000).

The full set of international human rights instruments provides a comprehensive and consistent framework to fight against poverty: the Bretton Woods institutions should imperatively use and respect these instruments. It also appears that a close collaboration with the relevant UN agencies (UNDP, UNCTAD, WHO, High Commissioner for Human rights...) is seriously lacking. It is incidentally a noteworthy fact that the different institutions do not use the same definition of poverty; for instance, the Human Development Index elaborated by the UNDP is now widely acknowledged as a most useful tool in measuring poverty - one cannot but wonder at the Bank's refusal to make use of it. The road to collaboration will certainly be problematic.

Besides, the Bretton Woods institutions' focus on poverty reactivates the pressing debate about transparency and democratisation, especially with regard to the voting system. It is unacceptable that decisions affecting the poorest populations hinge upon the national and geopolitical interests of the world's economic powers.

Finally, the issue of the responsibility of these institutions is still lingering. To this day, no mechanism allows for an effective control (with a power of sanction) of these immensely powerful entities. It is high time that power and responsibility coincide, and that the Bretton Woods sisters finally come under a genuine form of democratic control. The issue of the impunity of the new actors of globalisation (Bretton Woods institutions, WTO, TNCs...) is no doubt
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one of the greatest challenges faced by the international community in the coming decade.