International Monetary Fund  
by Kris Kirby

Just as the United Nations (U.N.) was created in direct response to the human atrocities and international conflict of World War II, the International Monetary Fund (IMF) was created to help repair the decimation that was experienced by the developed nations that became involved in the war. While both organizations have seemingly similar objectives (i.e., post-war reconstruction and creation of an environment for lasting peace), the Articles of Agreement of the IMF, however, contains no explicit mention of human rights.

After the reparation of the former Axis powers was accomplished, the IMF was left somewhat without purpose. Subsequently, the institution became involved in the financial matters of the developing nations as a regulator of fiscal policy, as well as delving into other domestic matters. Thus, one might say, the IMF became a sort of development agency.

The IMF is a U.N. specialized agency. As a result, Sigurn Skogly has argued that the IMF would be obligated to act in accordance with the U.N. Charter. More specifically, it might be suggested that the IMF should adhere to human rights standards of protection and promotion of such rights in keeping with the purpose of the international organization.

Looking to the literature, we find a number of pieces that discuss a human rights-based approach to development. Assuming that the IMF serves a developmental function, one might expect to find a portion of the literature treating the institution’s role and participation in such a rights-based ideal. In fact, a number of authors deal with the subject, but only a few are built around an in-depth discussion of the IMF’s human rights obligations, and others merely gloss over the topic in short.

As might be expected, the institution itself most often claims that human rights concerns are outside its scope. Some analyses focus on the IMF’s reaction to human rights prescriptions; others go to lengths to outline the IMF’s legal personality and legal obligations to uphold the ideals of the U.N. Charter. The IMF itself largely ignores the topic, while a number of NGOs repeatedly mention the human rights obligations and effects of the organization. Academics largely take a critical role in the discussion of the IMF and human rights-based approaches, suggesting that the organization is falling short of the mark.

General Resources


This volume reports that the IMF has been criticized by the U.N. General Assembly for having continued its lending relationship with South Africa in the atmosphere of sanctions. It also reports that IMF conditions are adversely affecting the poor and are violating ILO standards and human rights.

This piece cites areas where SAPs and IMF projects have violated human rights. Because the IMF is a U.N. agency, it is bound by international law. Thus, at minimum, the institution should refrain from having a negative human rights impact through its programs. The IMF response: it denies human rights responsibility based on its Articles of Agreement.


Abstract: Focuses on the alleged lack of protection of basic human rights, particularly the right to health, by international organizations such as the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO). Effect of policies instituted by these organizations on health care in less-developed nations; Criticism voiced by branches of the United Nations; Mention of a meeting which will challenge the notion that international financial institutions are above international human rights.


“Development and Human Rights” by Danilo Turk relates that the IMF’s SAPs affect human rights. It is suggested that states need to regulate human rights and the IMF must assure that there is no negative impact of its programs. The author also suggests that there needs to be a strengthening of cooperation among U.N. human rights organs to assure that development programs avoid human rights violations.


Reports that human rights activists felt that transparency was essential in monitoring human rights.

Human Rights Watch. The Oil Diagnostic in Angola: An Update.

This source states that the IMF required transparency aids in human rights protection.

Human Rights Watch. 1995. RUSSIA.

This source reports that the IMF conditions loans on economic terms but refuses to consider human rights.

Human Rights Watch. 1997. ZAMBIA.

Here it is reported that the IMF funding is claimed to be based on economic reform and not human rights abuse.


This source, compiled by the IMF, argues that local governments are responsible for respecting human rights as a prerequisite to sustainable development.

Suggests that human rights will not be implemented until the IMF stops implementing SAPs.


In this article, the IMF is cited as violating human rights through its practices. The authors suggest that the IMF might consider human rights within its “good governance” policies.


Abstract: The article focuses on the evolution of international human rights in the post-Cold War era. The end of the Cold War has presented both opportunities for and obstacles to the protection and promotion of human rights. The global resurgence of democratic forces has, in a context devoid of the bipolar balance of the Cold War rivalry, given rise to new international moral standards and rules. National and international politics show a shift towards globalization and the liberalization of access to knowledge. State sovereignty has invited the fiercest criticism from Western human rights scholars. States now face a complex array of choices, ranging from economic adjustments to political-legal maneuverings and ethical policy decisions. Globalization has also created new tensions over environmental responsibility. Economic intervention referred to as the International Monetary Fund and World Bank’s interventions into the economies of other countries have been justified on the ideological grounds of economic neoliberalism. Legal enforcement of human rights must begin with the core human rights. Insistence and universal agreement on the core rights avoids the risk of undermining the legitimate, culturally based arguments.


Abstract: Focuses on the call of Jubilee 2000 campaign to cancel the unpayable debts of the poorest countries. Goals of Jubilee 2000; Status of human rights in indebted countries; Role of World Bank and International Monetary Fund in reckless lending and borrowing; Role of Jubilee 2000 in altering the balance of power between rich and poor nations.


The author relates that the IMF has been called upon by the U.N. to consider human rights. It is suggested that the IMF SAPs and conditionalities violate human rights. The IMF is said to have “total disregard” for human rights.


The author relates that the IMF has been criticised within the U.N. for ignoring human rights. It is suggested that the IMF conditionalities violate human rights. The IMF is said to have “total disregard” for human rights.

Argues that IMF conditionality policies do not work to promote human rights. It suggests that NGOs, in addition to the IMF, must begin to think in terms of laws and policies. The author maintains that a rights-based approach will require development agencies to engage in political dynamics with the IMF.

Responsibility of IMF to Protect Human Rights


This article relates how the IMF lacks a human rights policy. While the author states that the organization does have some responsibility in the arena of human rights protection, the article maintains that the IMF often ignores human rights issues. This ignorance is often cited as prudent based on the IMF’s interpretation of its Articles of Agreement, whereby the Fund assumes a prohibition against political involvement in receiving states. The author argues that this ‘prohibition’ is a mandate to include the receiving state’s perception of political issues as a strong consideration. The author suggests that the IMF is, in fact, a subject of international law and thus is responsible for human rights protection. The authors suggest that the organization might engage in human rights.


The authors suggest that the IFIs must consider human rights issues. It is held that the IFIs are responsible, under international law, for ensuring that recipient populations are granted participation in the design and implementation of programs. Because the IFIs regularly cite that their mandates command them to avoid political involvement, the authors suggest that it might be prudent to redefine the meaning of ‘political.’ Perhaps, in this sense, human rights are not necessarily political? The authors suggest that there is a necessity to implement a mechanism of human rights reporting in conjunction with IFI aid.


This book contends that the IMF-preaches “good governance” but does not practice, at least when considering human rights issues. The IMF response is that human rights are outside its scope of functioning because they are not included in the Articles of Agreement of the organization. As the U.N. has required that no loans be granted to human rights violators, and because the U.N. policies are agreed upon by members of the Fund, the author argues that it is essential that IMF use human rights obligations as a normative framework.


Here, the IMF, as a U.N. organ, is said to have responsibility for human rights because the U.N. is bound to promote and uphold human rights. The IMF response is that it may not become
involved in political issues per its Articles of Agreement. The article cites that some IMF policies in Argentina violated the right to basic needs.


This piece discusses the IMF as a component of the U.N. system, thereby committing it to the UN’s purpose of upholding human rights. It analyzes a rights-based approach to development and suggests that such an approach would certainly include both participation and the consideration of civil and political rights. The author reports that the IMF officially addresses human rights indirectly.


The broader issue dealt with in the paper is to what extent multi-party development efforts are accountable to their intended beneficiaries. One mechanism for ensuring accountability is human rights. Traditionally, only states bear human rights obligations. International law has evolved, however, and now recognizes that human rights law also binds intergovernmental organizations, including the international financial institutions. To some extent, the World Bank’s creation of the Inspection Panel was a response to this shift. Beneficiaries can use the Inspection Panel to query compliance by the Bank with its own operational policies, some of which reflect human rights concerns.


This article presents common IMF responses to criticisms that the organization does not consider human rights. For example, it should not consider human rights because it is not a development institution, it cannot due to its Articles of Agreement, it does not need to because it is only concerned with long-term effects (whereby human rights will be attained through the programs), and it already considers human rights. The author maintains that the IMF should not support human rights violators in its policy decisions and calls on the IMF to implement a mechanism that guarantees human rights equality and fairness.


This article states that the IMF has little consideration for human rights. The article outlines the IMF response that consideration of such issues interferes with the guarantee of sovereignty. The author argues that the IMF is bound by the U.N. Charter and reminds the reader that the member states of the IMF are also parties to this agreement. It is suggested that the IMF include a minimum standard of human rights recognition in its programs.

This source cites that the formal agreements with international financial institutions do not necessarily include human rights.


The author argues that the IMF claims that it does not have the mandate to deal with human rights issues. Rather, the organization holds that the promotion of sound economic and social conditions through macroeconomic policies will lead to full realization of human rights.


This volume includes the statement that the IMF does not first consider human rights issues when granting a loan. It goes on to report that the member states of the IMF do not expect the organization to uphold human rights functions as they are outside the scope of the Fund. The author suggests that the member states of the Fund, as parties to international human rights treaties, are obliged to refuse aid to human rights violators parties, though it is not the responsibility of the IMF to act accordingly.


The need for a human rights dimension within the development process is recognized by a growing number of states and international organizations. The tendency so far has been to focus on rights in a general sense, although there is some recognition of the need to consider the rights of indigenous peoples in a development context. The integration of these rights into development programs can encounter difficulties partly because of the uncertainty surrounding the scope of some of the more important rights claimed by indigenous peoples. The article examines the scope of these rights under international law and explores some of their potential implications on the development process. It argues that while some of these human rights claims are not yet recognized under international law, the position is continually evolving. It also argues that the increasing recognition of several rights, especially the right to effective participation, may help to address the sense of marginalization traditionally experienced by indigenous peoples from the development process. This source also explains that the IMF sees human rights as outside its frame of reference due to the political neutrality clause in its Articles of Agreement. It suggests that the IMF refuses to address human rights issues.


This article identifies the effects of structural adjustment and stabilization policies (SAPs) on women, while focusing on poverty in several countries. It is now well-established that the structural adjustment and stabilization policies (SAPs) that developing countries undertake in
order to receive loans from the World Bank and the International Monetary Fund (IMF) have exacerbated conditions of poverty and deprivation for large sections of the population. Several commentators have also shown that these macroeconomic policies are neither class-neutral nor gender-neutral. This article reports that the IMF needs to take responsibility for human rights of groups, such as women, who might be affected by SAPs. It suggests that the IMF claims its practices are non-political. The article holds that the IMF is responsible for human rights protection as a U.N. agency that is bound by the U.N. Charter.


This source, which is cited frequently in the literature, outlines the legal personality of the IMF. It suggests that the IMF is an agent of the U.N. and is bound by the U.N. Charter to uphold human rights.


Skogly outlines the legal responsibility of the IMF to consider human rights. The author reports that the IMF most often responds that the organization is not permitted to address human rights issues, as they are political in nature. The IMF maintains that it is not to become involved in political arenas within recipient states. The author suggests that the IMF should, at least, consider the human rights effects of SAPs.


The author treats the claim that the IMF impinges on human rights such as basic subsistence rights, the right to work and the right to education. It is maintained that there is trouble in defining human rights laws, and the reader is reminded that the UDHR is not an obligatory agreement but more of a wish list of sorts. Because there is trouble in defining human rights laws, it is suggested that the IMF is not clearly in violation of human rights. It is also suggested that states are responsible for the maintenance of human rights.


Here the author reports that the IMF has not adopted human rights rhetoric. It failed to follow suit in the withdrawal of South African aid in response to apartheid. The IMF holds that human rights concerns are beyond its scope.

**Country Specific Reports**


This report argues that IMF efforts to combat human rights abuses in Kenya by not renewing aid fell short of their objective.


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Here HRW suggests that the IMF has done little to discourage human rights abuses in DRC by continuing to offer support to Rwanda.


In this piece, HRW supports the IMF’s “Oil Diagnostic,” citing that it will help to monitor human rights in Angola.


This report argues that the IMF refused to link the suspension of Russian aid to the human rights abuses in Chechnya.


Here HRW suggests that IMF monitoring of oil revenue in Angola is the first step toward transparency. Monitoring aid dispersal might help to decrease human rights violations that may be connected to such money.


This report claims that giving Kenya a loan signaled an end to human rights conditions placed on governments.


This source holds that IMF monitoring of oil revenue in Angola is the first step toward transparency that could help decrease human rights violations, which might be funded by such money. It cites that the IMF wants transparency for economic reasons.


HRW suggests in this piece that the IMF has continued to support Uganda in spite of human rights abuses in DRC.


Here it is reported that the IMF tried to address human rights problems through transparency policies in Angola.


Abstract: One of the most important aspects of the rise of post-1945 global capitalism has been the call for transnational corporations to conform to basic human rights principles. This chapter reviews the efforts within the oil industry (with a particular focus on their operations in the less-developed countries) to develop corporate social responsibility and the related development of voluntary, legal, and statutory programs by governments, nongovernmental organizations (NGOs), civic groups, and multilateral agencies to ensure that the oil industry is
compliant with important human, social, political, and environmental rights. In reviewing these developments, I outline the current political economy of the oil industry, new bodies of research on the relations between oil, violence, and human rights violations, which include case studies of the human rights records of transnational and joint-venture oil operations.

Miscellaneous


Abstract: The Millennium Development Goals (MDGs) are the most prominent initiative on the global development agenda and have a great deal in common with human rights commitments. But neither the human rights nor development communities has embraced this linkage with enthusiasm or conviction. This article explores the reasons why the two agendas resemble ships passing in the night, even though they are both headed for very similar destinations. The empirical evidence examined includes analyses prepared by a range of human rights NGOs, the MDG National Plans adopted by many developing countries, and the relevant analyses undertaken by U.N. human rights treaty bodies and special rapporteurs. The author calls upon the human rights community to engage more effectively with the development agenda, to prioritize its concerns rather than assuming that every issue needs to be tackled simultaneously, and to avoid being overly prescriptive.


This volume holds that a rights-based approach should be the foundation of development efforts on the part of the IMF. The IMF needs to include participation in its PRSs and uphold the tenets of the MDGs. The suggestion is also made that the organization needs to make informed goals, which rules out some degree of participation as the participants might not always be well-informed.


Amnesty International suggests that the IMF should ensure the protection of human rights. The IMF is also urged to consider the human rights impacts of its investments.


This source calls on the IMF to account for human rights abuses in recipient states.


Abstract: States that Western governments appear unwilling to use financial leverage to deal with human rights abuses in Indonesia. The position that the International Monetary Fund is in to push for democracy; The worsening situation for human rights in Indonesia in the late 1990s; The history of abuses by President Subarto in the name of stability and cohesion; Why Indonesia has been reluctant to heed advice from international groups.
Project Bretton Woods. 1999. UK committee criticises Bank and Fund over conflict roles.

Reports that a British committee criticized IMF for ignoring human rights abuses in Rwanda. The committee calls on the IMF to begin consideration of such issues.

Development Catholic Agency for Overseas. CAFOD: Policy and analysis: Rouch Guides: Transparency.

This piece reports the need for transparency regarding IMF funds. This is a necessity to avoid the funds being used for activities that might result in human rights violations.


“A Creative Approach to Structural Adjustment: Towards a People-centered Development” by Marcos Arruda suggests that human rights be an integral component of macroeconomic policy in a people-centered approach to development. Such an approach focuses on empowerment and participation.

Christian Aid. 2001. Schorched Earth: Oil and War in Sudan.

Christian Aid urges the IMF to audit the Sudanese government to assure that funds are not being used for activities that might violate human rights.


This article calls for the IMF to consider human rights, especially basic needs. The IMF maintains that this is outside its scope as the organization is obligated to refrain from political involvement. The author suggests that the United States, as a large stake-holder in the Fund, can help to guide the consideration of human rights.


The author of this book maintains that it is the responsibility of the IMF to respect, protect, fulfill, and promote/uphold human rights. This responsibility comes to the IMF as a subject of international law. The book relates that SAPs can violate human rights and cites the case of India to illustrate this. The source examines the legal personality of the IMF and the sources of its human rights obligations.


This article briefly suggests that a human rights approach to development would include a paradigm shift in IMF policies.

This book suggests that the IMF should impose minimum human rights standards on its members. These standards should be designed to compliment and uphold the U.N. human rights treaties.


Report discusses IMF’s Code of Good Practices on Fiscal Transparency. The IMF worked with NGOs in Indonesia to be sure that ExxonMobil money was not being spent in ways that led to human rights violations.


This piece suggests that the IMF could make use of human rights benchmarks to measure progress. It cites Angola as a possible example.


This source suggests that the IMF should promote human rights by integrating human rights protection into its loan packages but that the organization has failed to do this thus far. The piece relays that the IMF has begun to promote human rights in the case of Angola. The response of the IMF has been that their focus is economic and that political issues are outside its scope. This claim, when considering Angola, is a source of inconsistency.


It is cited here that the IMF claimed human rights to be a critical component of its activities.


This source suggests that there is inconsistency in IMF policies regarding transparency for human rights abusers. Cites cases of Angola, Liberia, DRC, Sudan, and Kazakhstan.


States that IMF aid is likely to violate human rights in India. Suggests that IMF needs to include human rights in aid reform.


The authors suggest that the IMF should follow the U.N. promise to address human rights. It cites an instance when UNICEF criticises the IMF.


“The Human Rights Framework for Development” suggests that the IMF plans development without attention to human rights but that the IMF has expressed some interest in a “right to
development’’ approach. “The Right to Development and International Economic Regimes” suggests that the IMF is better suited to enforce human rights protections than are local governments.