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## Sixty-first session

Item 66 (b) of the provisional agenda\*

**Promotion and protection of human rights:  
human rights questions, including alternative  
approaches for improving the effective enjoyment  
of human rights and fundamental freedoms**

## **Globalization and its impact on the full enjoyment of all human rights**

### **Report of the Secretary-General\*\***

#### *Summary*

The Secretary-General submits the present report in response to General Assembly resolution 60/152 in which the Assembly requested the Secretary-General to seek further the views of Member States and relevant agencies of the United Nations system on the issue of globalization and its impact on the full enjoyment of all human rights and to submit a substantive report on this subject to the General Assembly at its sixty-first session. The report summarizes replies received in response to a request for information sent pursuant to the resolution. Responses were received from the Governments of Guatemala and Croatia and from the United Nations Conference on Trade and Development.

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\* A/61/150.

\*\* The present report was submitted after the deadline in order to incorporate information received recently.



## I. Introduction

1. In its resolution 60/152, the General Assembly took note of the report of the Secretary-General on globalization and its impact on the full enjoyment of all human rights (A/60/301 and Add.1) and requested the Secretary-General to seek further the views of Member States and relevant agencies of the United Nations system and to submit a substantive report on this subject to the General Assembly at its sixty-first session.

2. Pursuant to that request, on 15 May 2006, the Office of the United Nations High Commissioner for Human Rights (OHCHR) sent a request for views on this issue. As of 8 August 2006, OHCHR had received responses from the Governments of Guatemala and Croatia and from the United Nations Conference on Trade and Development (UNCTAD).

## II. Replies received from Governments

### Croatia

[Original: English]  
[28 July 2006]

The Government of the Republic of Croatia noted that globalization is a complex process of structural reform, with numerous interdisciplinary aspects, which can have a bearing on civil, political, economic, social and cultural rights, as well as upon the stratification of society, potentially leading to poverty and exclusion. In response to some of the challenges posed by globalization, the Government had prepared “The Joint Memorandum on Social Inclusion in the Republic of Croatia”. According to this document, particular attention will be paid to challenges in the following areas:

(a) The development of an inclusive labour market and the promotion of employment, perceived as rights, and of opportunities for all Croatian citizens, especially in respect of long-term unemployment, older workers, persons with special needs, etc.;

(b) Overcoming educational shortcomings through a reform of the education system as one of the key prerequisites for reducing poverty and social exclusion;

(c) Equal access to health care;

(d) Adequate housing for all — devising a national housing policy, including the provision of housing for vulnerable groups;

(e) Accessible and adequate social services — decentralization and deinstitutionalization, cooperation and partnership between the State, the private sector and non-governmental organizations;

(f) Guaranteeing everyone minimum means of subsistence via work and/or the welfare system;

(g) Balanced regional development and revitalization of the deprived war-afflicted regions.

## Guatemala

[Original: Spanish]

[29 August 2005 and 8 August 2006]<sup>1</sup>

1. The Government of Guatemala noted that, with regard to globalization, Guatemala has initiated a series of agreements on free trade, economic association, and cooperation and political dialogue with other countries. These agreements were expected to lead to increased and improved choices for consumers, Guatemalan producers and foreign investors and to have a positive impact on the general population, contributing to the attainment of a better standard of living.

2. The Government of Guatemala has taken a series of measures to ensure, to the extent possible, that the processes of globalization, affecting the economic, political and social spheres, do not negatively affect the most vulnerable segments of the population. One of these measures is the government programme *¡Vamos Guatemala!* aiming at eliminating poverty and providing welfare and development to all the people of Guatemala. The programme consists of three strategic components: *Guate Crece*, *Guate Solidaria* and *Guate Compite*. From January to May 2006, *Guate Crece*, covering efforts to stimulate the economy, registered positive results, with GDP growth estimated at 4-4.4 per cent for 2006. *Guate Solidaria*, covering efforts to alleviate poverty and increase access to education and health care, registered results below expectations.

3. The Government noted that regional integration is the best strategy to meet the challenges of globalization. In this regard, efforts are being made to strengthen the Central American Customs Union (*Unión Aduanera Centroamericana*). Equally, the Agreement on the Single Visa (*Convenio de Creación de la Visa Única*) has been signed by the Presidents of Guatemala, El Salvador, Honduras and Nicaragua, a Central American passport has been introduced, and measures have been taken to facilitate the free movement of vehicles and goods.

4. Guatemala is a party to the Treaty on Free Trade (*Tratado de Libre Comercio*) with Mexico and to the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) with the United States, which entered into force on 1 July 2006. Guatemala has also signed the Treaty on Free Trade with Taiwan and a partial agreement (*Acuerdo de Alcance Parcial*) with Belize, and is currently negotiating trade agreements with Colombia, Ecuador, Panama and the European Union. The Government highlighted the challenge of ensuring that free trade agreements do not impact negatively on vulnerable sectors, especially small and medium-sized businesses and farmers. In response to concerns of various sectors of civil society, especially those groups monitoring the implementation of economic, social and cultural rights, various lines of action are under consideration.

5. The Government noted that the ratification of the Treaty on Free Trade has made it necessary to establish a legal framework that facilitates compensation for those sectors which are unprotected or lack the capacity to be competitive. In this regard, the Congress, by Legislative Agreement No. 16-2005 of 9 March 2005,

<sup>1</sup> The contribution by the Government of Guatemala includes information submitted in response to a request pursuant to General Assembly resolution 59/184, which, due to its late submission, was not included in the Secretary-General's report on globalization and its impact on the full enjoyment of all human rights of 2005 (A/60/301).

committed itself to approving a series of compensatory laws between 2005 and 2006.

6. Guatemala recently joined the G-33 group within the framework of the agricultural negotiations of the World Trade Organization (WTO). The G-33 group, consisting of various developing countries, aims at ensuring preferential treatment and safeguard mechanisms for agricultural products. The Government stated that the work of the G-33 group assisted Guatemalan producers to pay more attention to the production necessities of trade liberalization.

7. Since the Peace Agreement of 1996, efforts have been made to rebuild the social fabric, fragmented by the armed conflict, and to promote a culture of peace. In this regard, the Government of Guatemala acknowledged that an environment of respect for human rights, equality and tolerance is required for a State to be able to develop economically and in a humane manner. To promote such an environment, the Government stated that it had implemented the following initiatives: workshops for young promoters of a culture of peace; the establishment of peace commissions in a number of municipalities; a campaign to promote fundamental values such as tolerance, respect for cultural diversity and democracy; folkloric street performances (*convites*) promoting a culture of peace; and an initiative of intersectoral dialogue (*Mesa Intersectorial de Diálogo*) under the auspices of the United Nations system in Guatemala and the Organization of American States.

8. The Government stated that increasing levels of common and organized crime posed a serious problem. Combined with other causes, problems of unemployment, lack of opportunities and insufficient support to the development of small enterprises have led many young people, and even adults, to join gangs which are involved in common crime, especially youth gangs known as *maras*. In response to this difficult problem the Government has implemented a public policy for the prevention of youth violence, officially presented on 14 June 2005. The central objective of this policy is to address the structural causes of violence and provide greater opportunities for young people, through employment, education, recreational activities, etc. The Government also noted that it had established a joint police force with El Salvador to protect trade and tourism in the border region.

9. The Government also provided information on the programme Fighting Exclusion in Guatemala (*Lucha Contra las Exclusiones in Guatemala*) (2004-2008), funded by the European Commission. The programme involves 50 municipalities and its general objective is to contribute to the social, economic and political inclusion of poor rural women, particularly indigenous women. To this end, the programme seeks to strengthen the capacity of government institutions, Congress and civil society organizations in order to ensure inclusion of rural and indigenous women in the development and institutionalization of public policies.

10. The Government noted that continuous efforts are required and that more measures must be taken, in a consistent and progressive manner, in order to guarantee the effective protection of human rights and protect the population, especially the most vulnerable sectors, including children, women, older people, indigenous peoples and peoples with disabilities, against the negative effects of globalization.

### III. Replies received from United Nations organizations

#### United Nations Conference on Trade and Development

[Original: English]

[31 July 2006]

1. The secretariat of UNCTAD, Division of Globalization and Development Strategies (GDS), provided information on its activities on globalization and human rights in relation to the issues of (a) globalization and development; and (b) trade and gender.
2. With regard to the issue of globalization and development, it was noted that UNCTAD does not normally refer to human rights as such in its analysis of globalization. However, given the close relationship between human rights and social and economic development, the discussion of the development implications of globalization has human right dimensions. Some of the main findings of UNCTAD analyses on “globalization and development” are presented in its annual *Trade and Development Reports*.
3. UNCTAD began to present its analyses of globalization in the *Reports* in the 1990s when the “Washington Consensus” evolved as the mainstream policy framework. *Trade and Development Report 1997* looked at the benefits and costs of globalization and referred to the concept of globalization as both “an increasing flow of goods and resources across national borders” and “the emergence of a complementary set of organizational structures to manage the expanding network of international economic activity and transactions” (p.70). Contemporary globalization was considered to be a process heavily influenced by policy choices including, in particular, liberalization.
4. The UNCTAD analysis was sceptical with regard to the argument that globalization was strengthening the case for further liberalization. *Trade and Development Report 1997* argued that globalization had not led to economic convergence, as only a few developing countries were catching up with the developed countries and most were experiencing slower growth and greater instability following the “unleashing of market forces” in the early 1980s. The report indicated that rapid liberalization had led to greater income inequality and to a hollowing out of the middle class.
5. Later UNCTAD reports, such as *Trade and Development Report 1999* and *Trade and Development Report 2003*, continued to provide critical assessments of globalization. The reports argued that globalization had resulted in a fundamental transformation in the relationship between the balance of payments and economic growth, so that growth entailed greater external deficits. Moreover, the need to finance growing external deficits was seen to have encouraged financial liberalization, leading in turn to currency appreciations and instability which undermined trade performance. National economies have become increasingly dependent on external capital, which, within the current international financial architecture, was exposing countries to speculative flows and financial crises. The existing international trade regime had also complicated development prospects owing to continuing tariff peaks and other market access barriers in rich industrial countries as well as increasing restrictions on the policy space of developing countries to build up the international competitiveness of their domestic enterprise.

6. In short, the secretariat of UNCTAD stated that globalization (as the manifestation of liberalization policy) has often negatively affected the general stability and growth of countries and tended to polarize income distribution, both nationally and internationally. The inference from these findings is that globalization may have negatively affected the full implementation of the Universal Declaration of Human Rights.

7. With regard to the issue of trade and gender, the secretariat of UNCTAD pointed out that gender equality has been persistently defined within the United Nations system as a fundamental human right. While women's labour participation has increased and the gender-based wage gap has narrowed in many countries (most of them industrialized), women remain disadvantaged in terms of their role and position in the economic and political arenas in most countries.

8. UNCTAD has been involved in an effort to assess the impacts of trade on gender equality, serving as task master for a task force on gender and trade set up by the United Nations Inter-Agency Network on Women and Gender Equality in 2003. A 2004 publication of this task force, entitled *Trade and Gender: Opportunities and Challenges for Development*, reviews the impact of trade liberalization on gender equality, explores the impact that existing multilateral trade rules have on the pursuit of gender equality, and examines various concrete approaches to improving the gender sensitivity of both international trade activities and policymaking. The major findings of this publication are summarized as follows.

9. First, international trade has often contributed to the redistribution of income in favour of women, because it has generated employment and business opportunities in the manufacturing and services sectors. Thus, not only is the status of women in society and within their households enhanced by their capacity to earn income; countries as a whole also benefit from women's work as it significantly contributes to export competitiveness and industrial diversification.

10. Second, in other cases, women, particularly poor women, have been made worse off, as in the agricultural sector, where groups of women often suffer from increased marginalization as a result of the growing competition brought about by trade liberalization.

11. Third, the analysis of the gender impact of trade needs to be done at a country- and sector-specific level. Female workers are concentrated in labour-intensive sectors, and the barriers to entry to these industries are generally low.

12. Fourth, a redistribution of income within households has enhanced the status of women, but gender inequalities often persist in the form of wage gaps, job segregation (women being confined to low-status jobs), and weak access to basic services (such as health and education) and resources.

13. Fifth, an examination of multilateral trade rules does not lead to clear conclusions. In a few limited instances, existing norms can create some constraint on the ability of Governments to pursue gender equality through domestic policies and measures. It is from this perspective that the impact of some World Trade Organization multilateral trade agreements have been analysed. Furthermore, as gender equality is a fundamental human right, the interface between the human rights legal framework and international trade law obligations remains important in the context of promoting sustainable human development.