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Human Rights and Market Fundamentalism

Mary Nolan



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## **Human Rights and Market Fundamentalism**

Mary Nolan

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**Abstract**

In the 1970s human rights and market fundamentalism gained prominence in the United States, Europe and Latin America. These were simultaneously discourses, ideologies, national movements and transnational networks, and policies that states and NGOs sought to impose. Human rights and market fundamentalism both claimed universal applicability and dismissed previous ideologies; they adhered to methodological individualism, critiqued the state, and marginalized the social. But despite striking affinities, there is no single relationship between human rights and market fundamentalism from the 1970s through the 1990s. This talk explores three cases where human rights were defined and new human rights policies developed, and where neoliberal policies were debated and implemented: in Eastern Europe, in Latin America and in the case of women's economic rights as human rights.

**Keywords**

Human rights, market fundamentalism, Eastern Europe, Latin America, women's economic rights.

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*Mary Nolan  
New York University*



The 1970s saw the emergence in the United States, Europe and Latin America of two new phenomena—human rights and market fundamentalism; these were simultaneously discourses, ideologies, national movements and transnational networks, and policies that states and NGOs sought to impose on their own governments and militaries and those of others. Both human rights and market fundamentalism have deep and very complex origins, which are the subject of much scholarly contestation, but both gained new prominence during the multifaceted economic, political and social crises of the long 1970s. On the human rights front there was the Helsinki Final Act, new governmental attention to this issue, and the proliferation of human rights organizations internationally, as groups like Human Rights Watch, Doctors without Borders, and the Mothers of the Plaza de Mayo joined older ones like Amnesty. Women’s rights as human rights were hotly debated at UN Women’s Conferences, in development projects, and among women’s NGOs.

Advocacy of market fundamentalism, that is the belief that all areas of politics, society, culture and knowledge, and not just economics, should succumb to and be ordered by market logic, led a less public and popular existence in the 1970s. Yet a growing number of economists, international economic organizations, multinational corporations, and governments pushed for free trade, lower taxes, the privatization of state-owned enterprises, and drastic cuts in social spending. By the 1990s neoliberalism shaped national economies and societies and the global order more profoundly than did human rights discourse.

There are innumerable studies of both human rights and neoliberalism that debate the origins of the respective movements, their contested principles and parameters, and their resurgence from the 1970s on. Yet few try to bring the two phenomena into conversation with one another, to assess affinities and inquire about causal relationships. The few that do tend to posit human rights as an ideological mystification for market fundamentalism or glibly assume that neoliberalism will somehow promote human rights.<sup>1</sup>

In an earlier article, I argued that human rights and market fundamentalism, (along with Americanism as the model of consumerist democratic capitalism) represented utopian visions in the ostensibly post-utopian second half of the twentieth century.<sup>2</sup> And they shared many common features. All three discourses have made sweeping claims to have found the universally applicable way to improve society, politics and individual wellbeing, asserting that if human rights were promoted by legal means, for example, or neoliberalism via pervasive deregulation, commodification, and instrumental rationality, sweeping social and political transformations of a beneficial sort would occur. They dismissed previous and existing ideologies of the left and right, insisting that they themselves were not in the least ideological because they were putting forth self-evident truths or scientifically based prescriptions and were promoting liberalism properly understood. Human rights and market fundamentalism share a commitment to methodological individualism. The primary unit of social analysis and political and ethical concern is the rights-bearing individual, in the case of human rights, and the rational, self-maximizing actor, in the case of market fundamentalism. Despite or rather because of the gender blindness of these discourses, both focus on and valorize a normative individual who is coded as male. Both are suspicious of or hostile to the state, which it is claimed, is an obstacle to human rights, economic prosperity, and development, not a means for achieving them. [That at least is what the proponents of human rights and neoliberalism repeatedly proclaimed. Practice has been much messier, as militarized “humanitarian interventions” and the state’s role in bailing out free

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<sup>1</sup> Samuel Moyn, “Human Rights and ‘Neoliberalism’” blog post Sept. 9, 2013.

<sup>2</sup> Mary Nolan, “Gender and Utopian Visions in a Post-Utopian Era: Americanism, Human Rights, Market Fundamentalism,” *Central European History* 44(2011): 13-36.

market capitalism in times of crises have shown.<sup>3]</sup> Both human rights discourse and market fundamentalism have either marginalized or entirely dismissed the realm of the social and the importance of economic and collective rights as opposed to individual ones.<sup>4</sup>

To assert the simultaneous rise and striking affinities of human rights and market fundamentalism leaves unanswered the crucial questions of whether and how these discourses, movements and policies were connected. Did they develop simultaneously but separately, the former focusing on law and politics, individual rights and security and the latter on economics, efficiency, and profits? Has market fundamentalism shaped understandings of economic and social rights? Has the prevailing definition of human rights encouraged neoliberalism by virtue of its neglect of the collective, the economic, and the social? Did the claims of human rights and those of market fundamentalism conflict, and if so, how did states, the media, academia, and NGOs decide which to prioritize?

There is no one answer, no single relationship between human rights and market fundamentalism across countries and types of rights from the 1970s through the 1990s. To explore their complex entanglements, I will look at three cases, Eastern Europe, Latin America, and women's economic rights in developing countries. These were major arenas in which human rights were defined and new human rights policies developed, and they were important areas where neoliberal policies were debated and implemented. The ways in which human rights and market fundamentalism were intertwined and interacted depended on the region and policy in question. It also depended on Cold War understandings, priorities, and anxieties, for in these decades Cold War mental maps and military and economic investments were by no means displaced by human rights and market fundamentalism, both of which consciously positioned themselves as ways either to continue fighting the Cold War or move beyond the early Cold War economic and political order.

Whatever the degree and type of entanglement, the dominant understandings of human rights in the 1970s and 1980s encouraged governments, NGOs, and international organizations to focus on the individual and to prioritize legal and political human rights, while marginalizing economic and social ones, whether in the Eastern European transitions to capitalism, in the authoritarian and neoliberal dictatorships of Latin American, or in the debates about women and development occurring under the shadow of structural adjustment. Market fundamentalism taught politicians and publics that the economy was separate from and more important than society and the state; it encouraged governments to envision nation building in neoliberal terms, i.e. get market capitalism right and all else will happily follow. It urged development economists to promote neoliberal models, such as microcredit. Market Fundamentalism provided the human rights movement with a further rationale for ignoring social and economic rights.

But had these rights ever been on the agenda, you might well ask. Yes and no. Often overlooked articles in the UDHR lay out a capacious and generous array of social and economic rights in addition to the much better known political and legal protections and rights. These include the rights to own property, to social security, to work—and to equal pay for equal work. There is the right to an adequate standard of living and the right of the “realization through national effort and international cooperation...to the economic, social and cultural rights indispensable for his dignity and the free development of his personality.”<sup>5</sup> From the late 1940s through the 1960s these rights were repeatedly discussed within the UN and finally embodied in the International Covenant for Economic, Social and Cultural Rights in 1966. It went into force in 1977. But their implementation was consistently deferred on the grounds that such rights were economically unfeasible, or ideologically objectionable or not judiciable.<sup>6</sup> They continued to be marginalized in the last three decades of the twentieth century, but

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<sup>3</sup> For the latter see especially Philip Mirowski, *Never let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (London: Verso 2013).

<sup>4</sup> Mary Nolan, “Gender and Utopian Visions in a Post-Utopian Era: Americanism, Human Rights, Market Fundamentalism,” *Central European History* 44 (2011): 13-36.

<sup>5</sup> <http://www.un.org/en/documents/udhr/>

<sup>6</sup> For discussions of the relationship of political and legal to social and economic rights, see Daniel J. Whelan, *Indivisible Human Rights: A History*, (Philadelphia: University of Pennsylvania Press, 2010) and *Humanity: An International*



that marginalization was not uncontested. Workers in Eastern Europe, the G-77 organization of developing countries, UNCTAD, and innumerable women's development projects sought to put economic and social rights on the agenda or to keep them there, as in Eastern Europe. My project is exploring how both market fundamentalism and human rights cooperated, often actively and at times intentionally, to prevent that from happening.

## **Eastern Europe**

In Eastern Europe and in the Western European and American debates and activism around conditions there, human rights and neoliberalism developed separately and sequentially. Human rights came first. Dissent in Eastern Europe and the Helsinki process culminated in the 1975 Helsinki Final Act and a series of subsequent monitoring meetings and saw the creation of the transnational Helsinki network that included Soviet and Eastern European dissidents, new NGOs like the American Helsinki Watch and the International Helsinki Federation, and the US government Helsinki Commission. How and why human rights gained such prominence is a matter of dispute as is whether human rights champions were motivated by altruism or a mixture of principles, economics, anti-communism, and national interest. Some argue that human rights as discourse and activism came to the fore when other state-based or internationalist utopias collapsed.<sup>7</sup> Others focus on how human rights became a Cold War weapon in the hands of American politicians like Senator Scope Jackson, who pushed through the Jackson-Vanik amendment, denying the Soviets most-favored-nation trading rights because they denied free exit to Soviet Jews. Jackson's aim was to sabotage détente.<sup>8</sup>

Still others emphasize the role of the European Community, which eagerly embraced the call for a Conference on Security and Cooperation in Europe (CSCE) and used it to test European Political Cooperation, which aimed "to prepare the way for a united Europe capable of assuming its responsibilities in the world of tomorrow." The EC wanted to increase the exchange of goods and ideas and the movement of people into and out of Eastern Europe, but it also sought official Warsaw Pact recognition of the EC and greater European autonomy in international affairs, especially regarding détente. The EC alone pushed for the inclusion of human rights clauses in the final agreement.<sup>9</sup>

The US government was not interested in raising the right to emigrate and freedom of religion and speech. Nixon advisor and later Secretary of State Henry Kissinger saw these as marginal to the key issues of missiles and borders and potentially disruptive of superpower détente. He opposed the Jackson-Vanik Amendment, and when the Helsinki Final Act was being drawn up, Kissinger dismissively told his staff, "They can write it in Swahili for all I care."<sup>10</sup> The Soviets reacted positively to the Final Act, believing that it recognized post 1945 borders and that the human rights clauses would not be taken seriously. Reactions in Western Europe were mainly positive, those in the US largely negative. Although President Gerald Ford endorsed the Final Act at Helsinki, the American media was uniformly hostile. Jimmy Carter condemned Helsinki when a candidate but embraced human rights as President.<sup>11</sup> Later President Reagan dismissed human rights, but nonetheless invoked them to condemn Soviet behavior.

The Helsinki Final Act, which imposed no juridical obligations on the thirty-five signatories, laid out a definition of human rights that was to prove enormously influential in its focus on political

(Contd.) \_\_\_\_\_

*Journal of Human Rights, Humanitarianism, and Development*. 3:3 (Winter 2012), "Dossier on Social Rights and Human Rights in the Twentieth Century."

<sup>7</sup> Samuel Moyn, *The Last Utopia: Human Rights in History*, (Cambridge, MA: Harvard, 2010), 8.

<sup>8</sup> James Peck, *Ideal Illusions: How the U.S. Government Co-opted Human Rights*, (New York: Metropolitan, 2010), 54-5.

<sup>9</sup> Angela Romano, *From Détente in Europe to European Détente* (Brussels: Peter Lang, 2009). Quote, 79.

<sup>10</sup> Hanimäke, Jussi "They can Write it in Swahili" Kissinger, The Soviets, and the Helsinki Accords, 1973-75" *Journal of Transatlantic Studies* 1 1:1 (2003), 37.

<sup>11</sup> Melvyn P. Leffler. *For the Soul of Mankind: The United States, the Soviet Union and the Cold War* (New York: Hill and Wang, 2007), 251. *New York Times*, July 21, 1975. Morgan, Michael Cotey, "The United States and the Making of the Helsinki Final Act" in *Nixon in the World: American Foreign Relations, 1969-1977*, ed. by Fredrik Logevall and Andrew Preston, (Oxford University Press, 2008), 166. Romano, 34.

and civil rights only. It called for the equal rights and self-determination of all peoples as well as “respect for human rights and fundamental freedoms, including freedom of thought, conscience, religion or belief.” It contained human rights language affirming freer human contacts, family reunification, and educational and cultural exchanges. Although it urged improved commerce, more scientific and technical exchanges, and cooperation on industrial projects, and addressed environmental issues, no economic or social rights were described and defended.<sup>12</sup>

In the wake of Helsinki, human rights activism flourished across Europe and in the US; its roots were many. There were dissident intellectuals and scientists in the Soviet Union, such as Sakarov, Solidarity and the Workers Defense league in Poland, and Charter 77 in Czechoslovakia. In Western Europe the EC and the Conference on Security and Cooperation in Europe were advocates. The US government established the Helsinki Commission, and NGOs like Helsinki Watch and Amnesty gave voice and leverage to Eastern European human rights activists by gathering and publicizing information on human rights violations and blaming and shaming Communist governments.<sup>13</sup>

Human rights discourse and activism in regard to Eastern Europe found such resonance because the governments targeted fit neatly within American Cold War categories. Embracing human rights offered the United States, divided and traumatized by the Vietnam War, an opportunity “to reclaim American virtue.”<sup>14</sup> The advocacy of human rights enabled Western Europeans to both criticize the Soviet bloc and pursue European-style détente with it. The human rights defended stayed safely within the political and legal definitions that had dominated human rights talk since the late 1940s. The focus of Helsinki and of activism was on the freedom of individuals to speak, move, and believe, and dissent came most often from intellectuals, with whom many Westerners could identify. They clearly fell within Amnesty International’s category of “prisoners of conscience,” a category from which those endorsing violence or armed conflict were excluded.

Social and economic rights were not discussed for multiple reasons. For dissidents, it was political rights and civil liberties that were lacking; after all, the communist regimes championed social and economic rights, even if they were distributed inadequately and unevenly.<sup>15</sup> Most Western European countries had social democratic welfare states and took social rights for granted; their presence was not a problem. From a US standpoint, however, seeing social and economic rights as universal human rights was politically controversial, if not utterly unacceptable, and it represented a threat to sovereignty. Prominent NGOs agreed. Aryeh Neier, founder of Human Rights Watch, for example, rejected economic and social rights out of “a commitment to democracy.” He insisted economic issues did not qualify as rights as all.<sup>16</sup>

Market fundamentalism was not a part of Eastern European discussions, or of the discourse about or policies toward Eastern Europe in the 1970s and 1980s. To be sure there were economic reformers in Poland, Czechoslovakia, and Hungary who theorized and tried to implement market socialism.<sup>17</sup> They recognized the pervasive inefficiencies of total planning and advocated decentralization of control and planning, prices that provided accurate information, and small-scale private plots and businesses. They wanted to enhance consumption and improve technology, and some

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<sup>12</sup> Romano, 29. Helsinki Final Act, full text <http://www.osce.org/mc/39501>.

<sup>13</sup> Sarah B. Snyder, *Human Rights Activism and the End of the Cold War: A Transnational History of the Helsinki Network* (Cambridge University Press, 2011)

<sup>14</sup> Barbara J. Keys, *Reclaiming American Virtue: The Human Rights Revolution of the 1970s* (Cambridge, MA: Harvard University Press, 2014), 10.

<sup>15</sup> Mark B. Smith, “Social Rights in the Soviet Dictatorship: The Constitutional Right to Welfare from Stalin to Brezhnev,” and Paul Betts, “Socialism, Social Rights, and Human Rights: The Case of East Germany,” in *Humanity: An International Journal of Human Rights, Humanitarianism, and Development*. 3:3 (Winter 2012), 385-426.

<sup>16</sup> Aryeh Neier, *Taking Liberties: Four Decades of in the Struggle for Rights*, (Public Affairs, 2003), xxx-xxxi.

<sup>17</sup> Not however in the GDR or the Soviet Union. On market socialism see, for example, Włodzimierz Brus and Kazimierz Laski, *From Marx to the Market: Socialism in Search of an Economic System* (Oxford University Press, 1991). For a critique of market socialism see Janos Kornai, *The Socialist System: The Political Economy of Communism* (Princeton University Press, 1991).

states took steps in that direction by borrowing heavily from Western banks. They did not envision, however, a radical dismantling of socialism. There was a network of Eastern European and American mathematical economists who had been in dialogue about problems of socialist economies throughout the Cold War. They discussed whether socialist economies and neoclassical ideas were compatible and how socialist economies could be reformed, and they ultimately worked out proposals for a neoliberal replacement of them. This network had virtually no visibility in either Eastern Europe or the US in the 1970s and 1980s, however. Only after 1989 did its Eastern European members emerge to promote neoliberalism.<sup>18</sup>

Western European governments and business sought to open Eastern economies to trade and loans and improve the material conditions there; their short-term goal was not to reintroduce capitalism. As Hungarian, East German, and Polish debts escalated enormously in the 1980s, Western European banks and governments and international institutions could not impose the sorts of neoliberal conditionality that was placed on indebted nations elsewhere. And if some Western Europeans and Eastern Europeans did envision capitalism as a long-term possibility, it was of a social democratic rather than neoliberal sort.

The US was more inclined to restrict trade and loans and impose sanctions to punish human rights violations but did not foresee a neoliberal transformation. To be sure, for free market thinkers communism was the enemy par excellence, economically and politically; it embodied the horrors of state control and planning, centralization and public ownership, and resulted in the curtailment of freedom, initiative, efficiency and profits. But Friedrich von Hayek and his acolytes in the Mont Pelerin Society did not imagine, any more than Western European and American politicians did, that the collapse of communism was imminent and the implementation of neoliberal policies feasible. Their main concern was the reform of Western capitalism that was going in what they saw as dangerously wrong directions due to Keynesianism, social democratic welfare policies, import substitution industrialization, and development policies in the Third World.<sup>19</sup>

While human rights and market fundamentalism thus did not significantly inform one another over the long 1970s in Eastern Europe, they both occupied center stage after 1989, when Eastern European countries faced the dual challenge of constructing democratic governments and capitalist economies. How were they entangled? It was not simply that foreign banks, international institutions, and American neoliberal economists sought to impose shock therapy that destroyed social rights and imposed enormous economic burdens—although that is part of the story. There were multiple internal as well as external actors, pursuing a variety of agendas. Nor is the alternative tale of a joyous embrace of human rights, democracy and capitalism by Eastern Europeans, who had liberated themselves, adequate. As Stephen Kotkin has argued, outside of Poland, 1989 was about collapse more than revolution.<sup>20</sup> Those inheriting power had clearer ideas about politics than economics.

Sometimes proponents of human rights and democratization and those advocating neoliberalism cooperated, sometimes they conflicted but most often they seem to have moved on separate tracks and deployed separate discourses. To be sure, Solidarity invited neoliberal economists, both Polish and foreign, to design economic reforms, as did Havel in Czechoslovakia and Gorbachev in Russia, but these dissidents and economists had not had prior close contact. It was a marriage of necessity, not the expression of longstanding networks or shared outlooks. The dissidents and the economists spoke very different languages. The former were fluent in the demands of Helsinki for individual rights, political freedom, and legal protections. The emphasis was on civil and political rights and formally democratic institutions, although Solidarity initially favored social rights as well.

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<sup>18</sup> Johanna Bockman, *Markets in the Name of Socialism: The Left-Wing Origins of Neoliberalism*, (Stanford University Press, 2011) and “Eastern Europe as a Laboratory for Economic Knowledge: The Transnational Roots of Neoliberalism,” *American Journal of Sociology*, 108:2(September 2002): 310-52.

<sup>19</sup> For the history of neoliberalism in these years, see Angus Burgin, *The Great Persuasion: Reinventing Free Markets since the Depression*. (Cambridge, MA: Harvard University Press, 2012) and Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman and the Birth of Neoliberal Politics* (Princeton University Press, 2012).

<sup>20</sup> Stephen Kotkin with Jan Gross, *Uncivil Society: 1989 and the Implosion of the Communist Establishment* (New York: Modern Library, 2010).

They believed, in the words of Ralf Dahrendorf, that Eastern Europeans “shed a closed system in order to create an open society.”<sup>21</sup> The economists, local and foreign, were obsessed with the ongoing problems of debts, inflation, and inefficiency. They believed that Eastern Europeans had shed communism in order to embrace capitalism and that capitalism had to be constructed as rapidly as possible because the economic problems were acute and social unrest was feared. They invoked the holy trinity of macroeconomic stabilization, price liberalization, and privatization. This was not the language of rights but of neoclassical economics. To be sure privatization entails property rights, but privatization was discussed most often in terms of eliminating inefficient managers, obsolete plants, and excess workers. The virtues of wholesale privatization were assumed and the relative importance of property rights versus other kinds ignored, while the technicalities of who should own what and how proved economically complex, politically divisive, and all absorbing.<sup>22</sup>

Social and economic rights, outside of privatization, were not a focus of concern, and they met varied fates. Some were immediately eliminated by stabilization and liberalization—food and housing subsidies, for example; but others had to be created to deal with the exigencies of capitalism that had been absent in socialism, e.g. unemployment insurance. Still others had to be restructured as they had been distributed through workplaces that were now being dismantled or privatized. Even the most radical proponents of shock therapy, like Jeffrey Sachs, did not favor a total abolition of social benefits, but such benefits were to be downsized, more need-based, more time-limited, and more efficiently delivered.<sup>23</sup> (And in the economic crises of the mid and late 1990s many simply disappeared.) Most importantly, for many inside and outside the region, getting the economy right took priority. This was the focus of the European Commission, for example, and the OECD spoke only of “pluralist democracies and market economies,” not social rights.<sup>24</sup> Social policies were residual; to be thought about when necessary to solve problems that might hinder the capitalist transition, but not otherwise. And they were discussed not in the language of rights but of needs. That was a neoliberal victory.

There were certainly loud complaints from those who lost their social entitlements and guaranteed right to work—industrial workers across the region, and women much more than men, not only in terms of the workplace but also in terms of family related social rights.<sup>25</sup> But governments were preoccupied with economic problems that a swift introduction of markets and privatization failed to solve throughout the 1990s. They remained concerned most with individual political and legal rights, not collective ones. Whether they believed social rights were a discredited heritage of the old collectivist order that one could dispense with or assumed that certain ones, like state run pensions and health care, would naturally persist, is something I still need to investigate. The former GDR was the only exception. There the price of reunification was a colonization that dramatically undermined the economy, but the payoff was an extension of West German social benefits to the newly incorporated areas.

Let me turn more briefly to my other two cases.

## Latin America

Latin America presents a dramatically different picture. The Cold War was much hotter in Latin America than in Europe, the political repression more deadly, and neoliberal experimentation very extensive. Human rights violations, the defense of human rights, and the promotion of neoliberal

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<sup>21</sup> Jeffrey Sachs, *Poland's Jump to the Market Economy*, (Cambridge, MA: MIT, 1993), 4.

<sup>22</sup> For comparisons of the transitions in different Eastern European countries, see Claus Offe, *Varieties of Transition: The East European and East German Experience*, (Cambridge, MA: MIT Press, 1996) and David Stark and László Bruszt, *Postsocialist Pathways: Transforming Politics and Property in East Central Europe*, (Cambridge University Press, 1998).

<sup>23</sup> Sachs, *Poland's Jump*.

<sup>24</sup> OECD, executive committee, 30 July 1990 confidential report on Eastern Europe. EU Archive, KM 176

<sup>25</sup> For the messiness of these transitions on the ground and reactions to them see *Uncertain Transition: Ethnographies of Change in the Postsocialist World*, edited by Michael Burawoy and Katherine Verdery (Lanham, Maryland: Rowman and Littlefield, 1999).

reforms occurred simultaneously. Individually and together these developments created intense conflict within societies like Chile and El Salvador as well as internationally. Both proponents and opponents of human rights constantly weighed the economic implications of their positions, just as those favoring or opposing neoliberalism argued about its possible effects on human rights promotion.

As old and new authoritarian governments in Brazil, Chile, Argentina and across Central America tortured, disappeared, and murdered tens of thousands of their citizens, domestic human rights groups emerged, and the UN and NGOs from many countries criticized and pressured authoritarian regimes. American officials remained deeply divided about whether to punish human rights violators or tolerate them as necessary defenders against purported communist threats. Economic concerns permeated these debates. Some sought to curb US military aid without hurting economic relations, others favored punitive sanctions to produce reform, and still others saw cooperation with repressive regimes as a way to reform economies according to market fundamentalist dictates, and thereby, perhaps, promote human rights in the long run.

In the Americas, multiple economic crises—the collapse of Bretton Woods, the exhaustion of Fordism, the mixed success of import substitution industrialization, and growing Latin American debts—made neoliberal ideas popular among many government officials, corporations, banks, and academic economists as well as within the IMF and World Bank. They used the opportunities created by coups and debt crises to force through structural adjustment programs—the Washington Consensus—that dramatically altered economies and states with detrimental effects on human rights.

Chile under the dictatorship of General Augusto Pinochet provides a classic example of human rights violations, international activism, official American ambivalence, and neoliberal success. In the wake of the 1973 coup that overthrew the democratically elected government of the Social Democrat Salvador Allende and the ensuing massive repression, governments around the world, the UN, the Organization of American States, and human rights groups, led by Amnesty and the International Commission of Jurists, launched massive protests. The US government, however, did not condemn the coup.<sup>26</sup> The Nixon administration and American multinationals like ITT regarded the prospect of a peaceful and democratic transition to socialism in Chile as a threat to American economic and security interests. The CIA tried to destabilize Chile economically and encouraged the military to move against President Salvador Allende.<sup>27</sup> After the coup, Secretary of State Henry Kissinger told Pinochet, “We are sympathetic with what you are trying to do here.... We want to help you, not undermine you.”<sup>28</sup> Democratic Congressional representatives like Donald Fraser protested human rights violations, and Carter cut military but not economic aid. In the 1980s, however, Reagan reversed policy, for he agreed with his advisor Jeane Kirkpatrick that the US should oppose totalitarian regimes like the Soviet Union but work with authoritarian ones like Chile.<sup>29</sup>

The coup opened the way for the first experiment with neoliberal shock therapy. After the dictatorship failed to restore prosperity and curb inflation, the Chilean government invited the prominent American conservative economist and follower of Friedrich Hayek, Milton Friedman, to Santiago. University of Chicago-trained Chilean economists soon implemented Friedman’s program, slashing government spending by 27%, firing tens of thousands of public sector employees, slashing social spending, cutting tariffs, privatizing the banking system, and allowing multinational corporations to repatriate all their profits. Later the pension system was fully privatized. Shock therapy failed to restore prosperity until well into the 1980s, but Friedman insisted that “Economic freedom is the requisite for political freedom.” Chile might be a dictatorship but it allowed private initiative, and this would increase the chances of a return to democracy and an improvement in human rights.

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<sup>26</sup> Jan Eckel, “‘Under a Magnifying Glass’: the International Human Rights Campaign against Chile in the Seventies,” in *Human Rights in the Twentieth Century*, ed. by Stefan-Ludwig Hoffmann (Cambridge University Press, 2011), 321-41.

<sup>27</sup> Declassified U.S. government documents re Chile, 1970-73.  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB8/nsaebb8i.htm>.

<sup>28</sup> Kathryn Sikkink, *Mixed Signals: U.S. Human Rights Policy and Latin America*, (Ithaca: Cornell University Press, 2004), 110.

<sup>29</sup> Peck, 57, Sikkink, 54, 69, 88-9, 109, 125. Jeane Kirkpatrick, “Dictatorships and Double Standards,” <http://www.commentarymagazine.com/article/dictatorships-double-standards>.

Conservatives would assert this purported linkage between market fundamentalism and human rights repeatedly over the next decades. Hayek went farther, stating that that he preferred “a liberal dictatorship” to “a democratic government devoid of liberalism” —liberal here defined as free market and small state.<sup>30</sup>

In many respects Chile set the model for the US responses to human rights violations in other parts of Latin America. The US government sent very mixed signals; liberal members of Congress, as well as human rights organizations, criticized human rights abuses much more strenuously than the executive branch, even under Carter. Military aid proved easier to curtail than economic assistance or loans, for both supporters and opponents of an assertive human rights policy worried about investment opportunities, export markets, and natural resources for the crisis-ridden US economy. And limitations on both types of aid were all too easily covertly circumvented. The Nixon, Ford, and Reagan administrations publically dismissed oppositional forces as marginal or naïve while privately assuring repressive regimes of US support because national security and economic considerations outweighed human rights. Strongly anti-communist Latin American militaries with close ties to the US Army believed that any means used to combat the left were justified; they listened to the US voices that agreed with them.<sup>31</sup>

Chile set the pattern for the kinds of rights abuses on which the US and others would focus in the Third World, namely threats to the security of the person. Torture, prolonged imprisonment, summary execution, inhumane treatment, and genocide featured prominently, while the rights to free speech, freedom of religion and freedom of movement that dominated in regard to Eastern Europe were downplayed. So too were economic and social rights and hence any critique of the consequences of neoliberal economic reforms in human rights terms.

In the wake of the Chilean coup, the Fraser hearings, and Carter’s embrace of human rights, human rights became more institutionalized in American government policy. An Office of Human Rights was set up within the State Department; Congress mandated that the State Department publish yearly reports on the human rights records of any country that was slated to receive military aid and prohibited any country from receiving such aid if it was guilty of “gross violations of human rights.”

As the US response to Argentina’s military takeover and “dirty war” show, these new institutions and legislation did not guarantee a more rigorous and effective human rights policy. Kissinger gave the Argentine junta the same assurances that he had given the Chilean military—the US was sympathetic to their goals and would tolerate their means, for Argentina was “under violent attack from radical, antidemocratic and antimarket forces.” As with Chile, the State Department gave priority to maintaining good relations with the military. State Department Undersecretary Charles W. Robinson dismissed those in and out of government who were concerned about human rights violations as “well meaning people...though perhaps somewhat naïve;” they “indiscriminately take the side of those imprisoned in Argentina.” Both US Ambassador Hill and Patricia Derian, the first head of the new Bureau of Human Rights, constantly criticized the junta for human rights violations. Derian urged that human rights be considered in deciding whether Argentina would get multilateral development loans, but the US Treasury and Commerce Departments and USAID all opposed this. Congress did eliminate military aid in 1978, but Carter continued economic aid and US business pushed for Export-Import Bank loans to Argentina and the elimination of human rights conditionality. Argentina was a valuable market at a time when the US trade deficit was growing. European governments, it should be noted, did not support economic sanctions against Latin American countries any more than they had toward Eastern Europe.<sup>32</sup>

In Argentina as in other parts of Latin America the entanglements of human rights and market fundamentalism were more tenuous than in Chile. In Argentina neither the violation nor the restoration of human rights promoted neoliberalism. Rather democracy came as a result of losing the Falklands/Malvinas War, and market fundamentalism in the wake of debt crisis and the IMF

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<sup>30</sup> Greg Grandin, *Empire’s Workshop: Latin America, the United States and the Rise of the New Imperialism*, (New York, Metropolitan Books, 2006), 163-72.

<sup>31</sup> Sikkink, 69, 80, 88-9.

<sup>32</sup> Sikkink 113, 116, 122-34.

imposition of privatization, free trade, and cuts in government spending. This story somewhat resembles Eastern Europe. In Central America human rights abuses abounded in the prolonged civil wars that prevented both attempts at neoliberal economic reforms and protection of social, economic or political rights. While international and US human rights organizations and governments in Europe protested human rights abuses in Central America, the US government backed right-wing human rights violators on the grounds of anti-communism and national security. Alexander Haig, Reagan's secretary of state, proclaimed in 1981 that "international terrorism will take the place of human rights in our concerns because it is the ultimate cause of abuses of human rights

### **Women and Development**

The 1970s and 1980s saw the social and economic rights of the Global South, then still called the Third World, reasserted from multiple directions. After the disappointing results of the 1960s Decade of Development, a plethora of new theories and programs were debated. In 1975 the G77 and UNCTAD proposed a New International Economic Order to regulate commodity prices and foreign investments in the Third World and give the global south a greater voice in the IMF and World Bank.<sup>33</sup> In 1986 the UN General Assembly passed a Declaration on the Right to Development that linked individual and collective social and economic rights.<sup>34</sup> In 1976 the UN proclaimed the Decade of Women; in a gesture to the First, Second and Third worlds, its themes were "Equality, Peace and Development". Women's rights came to be recognized as human rights. Yet social rights proved no easier to defend for women in the global south than for Eastern Europeans or Latin Americans.

In line with the concerns of the larger human rights movement, women focused attention first and foremost on issues of freedom from bodily harm and personal security, including violence against women, forced marriage, sex trafficking, and female genital mutilation. These issues are enormously important for women individually and collectively but they did not directly address women's social rights around health and education or women's access to employment. At the four UN Women's conferences, from Mexico City in 1975 to Beijing in 1995, women readily agreed on the need to protect women from gender-based violence, but especially in the 1970s and early 1980s First World women prioritized political and legal changes as the means to achieve equality and individual freedom while Third World women emphasized economic and social changes, collective struggles, and mutual interdependence.<sup>35</sup> The Convention to End All Forms of Discrimination Against Women (CEDAW), passed by the UN General Assembly in 1979, repeated the hierarchy of rights that had been in place since the late 1940s, for it began with legal rights and protections, then moved to political ones. Economic and social rights, such as women's right to work, to loans, to social benefits and their right to equal participation in development programs, came only in part III, followed by rights within marriage and family.<sup>36</sup> Revealingly, neither Amnesty nor Human Rights Watch was interested in defending the social rights enumerated in CEDAW.<sup>37</sup>

Development debates and policies both gave prominence to women's social and economic rights and limited how they were discussed. Women had been marginalized in development programs in the 1950s and 1960s, but in the 1970s economists and feminists recognized that persistent poverty and failed development projects were partly a result of the neglect of women's vital economic contributions and their exclusion from funding and technical training.<sup>38</sup> Women's human rights and

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<sup>33</sup> Giuliano Garavini, *After Empires: European Integration, Decolonization and the Challenge from the Global South, 1957-1986*, (Oxford University Press, 2012).

<sup>34</sup> <http://www.un.org/documents/ga/res/41/a41r128.htm>.

<sup>35</sup> Quataert, 159. Jocelyn Olcott, 'Cold War Conflicts and Cheap Cabaret: Sexual Politics at the 1975 United Nations International Women's Year Conference'

*Gender and History*, Vol.22 No.3 November 2010, pp. 733-754.

<sup>36</sup> <http://www.un.org/womenwatch/daw/cedaw/>

<sup>37</sup> Quataert, 162.

<sup>38</sup> Jean H. Quataert, *Advocating Dignity: Human Rights Mobilization in Global Politics*, (Philadelphia: University of Pennsylvania Press, 2009), 141-6.

women and development began to be discussed together. The UN Human Rights Commission established a subcommittee on development in 1981 (although the U. S. and other industrialized countries opposed this as a dilution of the Commission's mission). The World Bank, other development agencies, and women's NGOs all argued that development programs should not be assessed not only in terms of how rapidly GNP grew but also in terms of how well they met basic needs and distributed opportunities and benefits more equitably. Despite these encouraging signs, the 1980 warning of Theo van Boven, the head of the UN Division of Human Rights, suggested the challenges remaining:

Unless we can effectively bridge the gap between the realm of human rights and economics, we risk the pursuit, on the one hand, of an international economic order which neglects the fundamental human development objectives of all our endeavors, and on the other, of a shallow approach to human rights, which neglects the deeper, structural causes of injustice.<sup>39</sup>

That bridging occurred only partially and in ways that were profoundly shaped by market fundamentalism. The economic crises of the 1970s hit the global South much harder than the North, and the 1980s were a lost decade, as funds flowed from South to North to pay debts, and inequality increased. The New International Economic Order was defeated. Instead, Western banks and the IMF and World Bank imposed structural adjustment policies across the developing world. These neoliberal measures mandated often draconian cuts in state spending, and women and girls were more likely to lose access to health care, education, and state jobs than men and boys. Such cuts were particularly harmful to women-headed households, which were numerous across parts of Africa and Latin America.<sup>40</sup> The imposition of free trade and the free flow of capital often meant job losses and forced women and men to migrate abroad in search of work. And migrants have neither citizenship nor social benefits nor protection from economic and sexual exploitation in their country of employment. The family members left at home, usually women and children, have additional burdens. These processes began in the 1970s but only now are groups like Human Rights Watch working on the multiple violations of migrant workers' rights.<sup>41</sup>

From the 1970s on women's economic roles and rights have been increasingly defined in neoliberal terms. Women economists developed the Women in Development (WID) approach; it stressed that women, like men, could and should be rational actors, maximizing their utilities and pursuing their self-interest, (but not, of course, neglecting their families). Women were necessary for development, WID advocates argued, and would make it more efficient. WID became popular when free market solutions were being widely imposed, but women, as feminist critics and Third World research centers like DAWN and AAWORD have shown, are less able to operate in this open market system, especially when it deprives them of social support and ignores the demands of pregnancy and childcare. These newer development models repeat the gender discrimination of older ones but instead of being excluded and dependent on trickle down benefits, women were included on terms defined around the lives of men as imagined by market fundamentalism.<sup>42</sup>

Microcredit, which has proliferated across the global South, is a perfect example of how women's economic rights were defined and met in neoliberal terms. Microcredit loans aim to enable the poorest of the poor to eek out a livelihood by establishing tiny businesses—buying a cow to sell milk, for example, or weaving and selling cloth. Lenders charge market rates and often benefit much more than do borrowers. Women are the preferred borrowers, because they have proven more reliable

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<sup>39</sup> Quataert, 188.

<sup>40</sup> Lourdes Beneria, "The Mexican Debt Crisis: Restructuring the Economy and the Household," and Diane Elson, "From Survival Strategies to Transformation Strategies: Women's Needs and Structural Adjustment," in *Unequal Burden: Economic Crisis, Persistent Poverty and Women's Work*, ed. by Lourdes Beneria and Shelley Feldman (Westview Press, 1992).

<sup>41</sup> HRW has been particularly active in monitoring construction by Western Institutions such as NYU and the Guggenheim museum in Abu Dhabi.

<sup>42</sup> Naila Kabeer, *Reversed Realities: Gender Hierarchies in Development Thought* (London: Verso, 1994), 11-39, 69-94.



than men and because running a business from home enables them to meet their family obligations. Microcredit seeks to instill an entrepreneurial spirit in its clients, to give them a sense of ownership, and to compensate for ever-diminishing state programs. It focuses on the individual not the social and celebrates the workings of the market as the means to betterment. Muhammed Yunus, founder of the Grameen Bank, the pioneer micro-lender, insisted on “the need to promote credit as a human right.”<sup>43</sup> This now dominant vision, endorsed by development experts, international financial institutions, and social entrepreneurs, offers a far thinner vision of women’s human rights than did Third World women and human rights activists in the 1970s.<sup>44</sup>

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Entanglements did not run in one direction between market fundamentalism and human rights, nor did the two discourses and practices reinforce one another at every moment. Yet, separately and together since the 1970s they created an environment in which both became prominent, indeed hegemonic. They appealed to many, and even government officials, NGOs, and members of the publics who opposed one or the other, resignedly accepted them as basic facts of the emerging world order. Critics, doubters, and cynics learned to talk within those discourses rather than reject them in toto. The new global order is one in which human rights are widely invoked, if certainly not always respected; human rights became the language in which demands could be made, good causes advocated, legitimacy claimed, and interventions of all sorts justified. States had to take account of human rights in their policies at home and in terms of their reputational status and possibilities for aid and alliances abroad. But the definition of human rights is individual, political and legal; social and economic rights, whether individual or collective, are nearly as marginalized as in 1950s and 1960s. While they receive more rhetorical recognition, especially in relation to the basic needs which development is supposed to meet, neoliberalism severely limits their realization. The new global order was and still is dominated by market fundamentalism, even in the wake of the 2008 crisis. Neoliberalism is now commonsense, and the application of market criteria to all aspects of social and political life is considered by many as inevitable, whatever the cost to individuals, institutions and entire economies and societies.

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<sup>43</sup> Muhammad Yunus, *Banker to the Poor: Micro-Lending and the Battle Against World Poverty* (Philadelphia: Public Affairs, 2003), 150.

<sup>44</sup> For a critical view of microcredit, see Lamia Karim, *Microfinance and Its Discontents: Women in Debt in Bangladesh*, (Minneapolis: University of Minnesota Press, 2010).



