

# Human Rights Centre Clinic

## Debt Justice, Corporate Capture and Human Rights

**Partner: [ESCR-Net](#)**

### About ESCR-Net

[ESCR-Net](#) (International Network for Economic, Social and Cultural Rights) connects over 280 NGOs, social movements and advocates across more than 75 countries to build a global movement to make human rights and social justice a reality for all.

### Project overview

Globally, countries are facing social, political, economic and environmental crises intensified by the COVID-19 pandemic. For low- and middle-income countries, these crises have been compounded by debt burdens, constraining governments' ability to respond to the immediate and essential needs of their people. This phenomenon has heightened inequality and imperilled human rights.

The Human Rights Centre Clinic will work with ESCR-Net to support various research, advocacy and campaigning initiatives in relation to the impact of the neoliberal economic model on public debt, the responsibilities of international financial institutions, and the relationship between debt justice and the enjoyment of economic, social, cultural and environmental rights. The project will contribute to promote accountability for corporate capture and highlight corporate impact and responsibilities in relation to human rights and debt.

### Background

Waves of debt accumulation have been an increasingly central phenomenon of the global economy since the 19<sup>th</sup> century, when sovereign debt was set up to be used as a powerful tool for colonial empire-building. At the heart of debt is an economic system with policies that prioritise private creditors and capital over people and human rights. Elite corporations, investment banks, and wealthy individuals have

for years been influencing democracies through shaping legislation and government policy without regard to human rights, a phenomenon known by ESCR-Net members as “[corporate capture](#)”.<sup>1</sup>

Building on the [Common Charter for Collective Struggle](#), ESCR-Net members have continued to deepen their critique of the current economic system, identifying the current phase of capitalism as the “Corporation Nation,” where corporations (along with finance and investment sectors) become deeply entwined with the State and orient it towards competition for accumulation and profit. With the World Bank as an example, corporate elites – particularly multinational corporations – reap the benefits of developmental needs in the Global South, but with an agenda of profit-making. One aspect of capture that is most troubling is the lack of transparency and accountability, where it can be very difficult to make the connection between legislation and policy set to protect the interest of corporate actors and the specific corporate elites that have lobbied or pushed for such policies or legislation to be advanced.

The research project will look to answer the following questions:

1. How have key corporate actors, private investors or creditors influenced law and policy on debt repayment and debt structures, including VAT tax, prioritisation of creditors in repayment, and other pro-business policies?
2. What internationally-protected human rights are put at risk by the influence of key corporate actors, private investors or creditors, including corporate capture and “[multistakeholderism](#)”<sup>2</sup>?
3. Considering that sovereign debt is imposed and anchored in colonial and imperial legacies of oppression, what obligations do lenders have to cancel debt and provide reparations and restitution as a result of colonial human rights violations and the present neoliberal extraction via debt, and exploitation and depletion of resources?

## **Project Output**

The HRC Clinic project’s findings will be presented in a 10,000-12,000 word report, which will be submitted to ESCR-Net upon completion in June 2023, and two blog posts (in March and May, 1,000 words each) conveying the interim and summary findings, respectively.

The research ideally would draw on comparative factual, legal, and interview-based knowledge to assess and present the impact of colonial and neoliberal debt models, particularly those espoused by the International Monetary Fund (IMF) and World Bank, across different country and regional case studies, highlighting any role of corporate actors in such policies’ design, influence, imposition, prioritisation or enforcement.

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<sup>1</sup> Daniel Nyberg, “Corporations, Politics, and Democracy: Corporate political activities as political corruption”, *Organization Theory*, Vol. 2(1), 2021.

<sup>2</sup> TNI on “multistakeholderism”: <https://www.tni.org/en/topic/multistakeholderism>

Part of the research may entail formulating questions for and liaising with external partners who may utilise and benefit from specialised skillsets and source materials.

ESCR-Net will use the research to inform its advocacy on human rights and debt justice and the need to stop corporate capture of sovereign debt systems. This advocacy takes the form of network collective organising, popular and political education, media outreach, and activating international human rights bodies, among others. The ultimate goal of the work that will be supported by the Clinic's research is to promote justice for the violations linked to the neoliberal sovereign debt model, putting people before profit-driven ideologies, and cultivating alternatives to the dominant economic model of capitalism.

## **Timeline**

Phase 1: November – December 2022:

- Preliminary research, understanding the project and developing research/report outline.
- Identifying a list of experts for interviews and questionnaires.
- Securing ethical approval, if necessary.
- Outline and bibliography to be submitted to ESCR-Net for comments.

Phase 2: January – March 2023

- Carrying out the interviews online.
- Research and data gathering.
- Report writing.
- Submission of the first full draft to ESCR-Net.
- Blog post n.1: Preliminary findings, questions, and reflections.

Phase 3: April – June 2023

- Revision and finalising the report based on input from partners.
- Presentation of project:
  - To ESCR-Net members in an online forum, with the possibility of recording and public dissemination.
  - Potentially in a relevant side event of an international forum tied to issues of human rights and debt justice.
- Blog post n. 2: Summary findings, questions, and reflections.

## Essential sources

- Ilias Bantekas and Cephas Lumina (eds), *Sovereign Debt and Human Rights*, OUP, 2018.
- Diane Desierto, *Public Policy in International Economic Law: The ICESCR in Trade, Finance, and Investment*, OUP, 2014.
- Emma Luce Scali, *Sovereign Debt and Socio-Economic Rights Beyond Crisis: The Neoliberalisation of International Law*, CUP, 2022, particularly chapter 3.
- William Mitchell and Thomas Fazi, *Reclaiming the State: A Progressive Vision of Sovereignty for a Post-Neoliberal World*, Pluto, 2017, [chapter 8](#).
- Wolfgang Streeck, "[The Politics of Public Debt: Neoliberalism, Capitalist Development and the Restructuring of the State](#)", *German Economic Review*, Vol. 15 (2014), pp. 143-165.
- --, "[The rise of the European consolidation state](#)," [MPIfG Discussion Paper 15/1](#), Max Planck Institute for the Study of Societies, 2015.
- UN Independent Expert on Foreign Debt, International Financial Obligations and Human Rights, "[Report on International Debt Architecture Reform and Human Rights](#)", 2021.
- --, "[Report on the role of credit rating agencies in debt relief, debt crisis prevention and human rights](#)", 2021.
- --, "[Addressing, from a human rights perspective, the debt-related problems of developing countries caused by the coronavirus disease \(COVID-19\) pandemic](#)", 2020.
- --, "[Responsibility for complicity of international financial institutions in human rights violations in the context of retrogressive economic reforms](#)", 2019.
- --, "[Guiding Principles for human rights impact assessments for economic reform policies](#)", 2018.
- --, "[Debt disputes, international investment arbitration and human rights](#)", 2017.
- --, "[Integrating human rights into debt policies and debt sustainability analyses to counter new debt vulnerabilities](#)", 2016.
- --, "[Guiding principles on foreign debt and human rights](#)", 2011.
- UN Independent Expert on Human Rights and International Solidarity, "[The role of the expression of international solidarity for the fuller realization of human rights within the context of economic security and insecurity](#)", 2021.
- UN Working Group on Business and Human Rights <https://www.ohchr.org/en/special-procedures/wg-business>
- Materials of the Committee on the Abolition of Illegitimate Debt: [https://www.cadtm.org/Books-DVD-brochures#pagination\\_articles](https://www.cadtm.org/Books-DVD-brochures#pagination_articles); for example, Bankocracy: [https://www.cadtm.org/IMG/pdf/Bankocracy\\_web.pdf](https://www.cadtm.org/IMG/pdf/Bankocracy_web.pdf)
- ESCR-Net, Digital Timeline of Capitalism, <https://www.escr-net.org/digital-timeline-capitalism>
- ESCR-Net, *A Common Charter for Collective Struggle*, 2016.

## Focal Point

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