

Abstract:

Minding the Gap: Global Finance and Human Rights*

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The workings of global finance are like that part of the iceberg beneath the waterline – vast, unseen and, for many, unknown. The interaction of global finance with human rights is especially opaque. The globalization of each phenomenon has occurred very largely independently of the other. Even the recent surge in interest in the global economy and human rights has been heavily focused on the real economy and on what (non-banking) corporations do and how they behave. The particular dimension of interactions between finance and human rights has, by and large, been a blank space. In this article the authors (one from the field of finance, the other from human rights) seek to bridge the gap in understanding, perspective and practice between the two fields by investigating actual and potential linkages in respect of four specific features of global finance – two financial products: bonds and derivatives; and two financial processes: risk management and procyclicality. These have been chosen as an illustrative sample of the complex and diverse ways in which the global financial system interacts with human rights. Although these products and processes played an important role in the recent global financial crisis, and although the interface between global finance and human rights is extensive, they have not so far featured on the human rights agenda or been the subject of detailed human rights critique. As such they provide an overview of the types of human rights issues in the financial sector which have so far been hidden from view. The paper therefore constructs an argument as to why the bridging of the gap is important and provides pointers as to how it can be done.

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