
THE GLOBALIZATION OF CAPITAL IN EAST AND SOUTHEAST ASIA

Measuring the Impact on Human Rights Standards

Clair Apodaca

The speed and quantity of capital flows, communications, international trade, and technological transfers have led many people to proclaim not only the end of geography but also the end of the state itself. The post-Cold War international political economy, it is argued, exacerbates the disappearance of the state into the global market, thus prompting politicians and economists to debate the repercussions of globalization on the state's political structures and national economies. Unfortunately, the place of human rights in this unfolding global order remains uncertain. The period following the end of the Cold War brought an emphasis on the role of liberal capitalism and free trade. Although the trend of globalization is to integrate the world into a single economic system, every geographical region's inclusion into that global economy varies according to divergent historical circumstances. While economic globalization has had an uneven impact on the developing world, some regional clusters have been more successful in adapting to the realities of globalization. One region that appears to have benefited from the push of the global economy has been East and Southeast Asia. The integration of East and Southeast Asia into the global economy has led scholars to speak of an economic "miracle," perhaps the sole success story of glo-

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balization.¹ East and Southeast Asian economies have enjoyed high growth rates, driven by production and export manufacturing and financed by foreign investment. Asian countries have been able to diversify their economies, moving from the traditional exportation of foodstuffs and mineral products to more high-tech and higher-value-added industries. This economic performance, along with a transition to democracy in many countries, has generated a degree of optimism for the recognition and acceptance of human rights standards in East and Southeast Asia. Ample evidence exists that points to a positive correlation between economic development, democracy, and human rights.²

This study examines the effect of the globalization of capital on the attainment of human rights standards in East and Southeast Asia. The basic questions asked are: Can international financial institutions and multinational corporations (MNCs) counterbalance the excesses of abusive authoritarian governments and usher in more democratic political regimes by exporting Western human rights expectations and practices? Or, on the contrary, will the expansion of globalization in developing economies simply multiply the exploitation of hapless citizens?

Are Human Rights in Asia Different?

The impact of globalization has not only been felt in the economic realm, but also in the domain of values and beliefs. Among these values is the acceptance³ of the universality of human rights as codified in the Universal Decla-

1. David McNally, "Globalization on Trial: Crisis and Class Struggle in East Asia," *Monthly Review* 50:4 (September 1998), pp. 1–15.

2. Human rights studies have found that, in the aggregate, there is a higher degree of personal integrity violations in poorer countries, while countries with greater economic prosperity enjoy higher democratic and human rights standards. This is a point that international studies scholars, political scientists, and economists concur upon. At first glance, China appears to belie this finding. China has little democratic freedom and a poor human rights record although it has the 7th largest GNP in the world. Yet, China's \$1 trillion economy is eaten up by its 1.2 billion population resulting in a GNP per capita of only \$860, making it a "lower-middle-income group" in the World Bank categorization. See World Bank, *World Development Indicators* (Washington, D.C.: The World Bank, 1998/99), pp. 190–91. For a discussion of the link between human rights, democracy, and economic development, see Clair Apodaca, "Global Economic Patterns and Personal Integrity Rights after the Cold War," *International Studies Quarterly* 45:4 (December 2001), pp. 587–602; Steven Poe, Neal Tate, and Linda Camp Keith, "Repression of the Human Right to Personal Integrity Revisited," *International Studies Quarterly* 43:2 (June 1999), pp. 291–314; and Jeffery Sachs and Andrew Warner, "Economic Reform and the Process of Global Integration," *Brookings Papers on Economic Activity* 1 (Spring 1995), pp. 1–95.

3. The Universal Declaration of Human Rights (1948) is a non-binding proclamation that represents the international acceptance of proper standards of conduct. The Declaration was intended to clarify "a common standard of achievement for all peoples and all nations." The

ration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.⁴ The Western style of human rights focuses primarily on political and civil rights to the virtual exclusion of economic and social rights. The thrust of political and civil rights is to protect the individual from the unbridled power of the state. Asian human rights, however, are said to be community oriented.⁵ Asian-values advocates claim that the community takes precedence over the individual. The belief is that individual rights, although of great value, must yield to the collective needs of the group. Individual

Declaration inventories an extensive catalogue of rights that all people possess as members of the human family. Because of its moral status and the legal and political importance it has acquired, the Universal Declaration has assumed the position of customary law. According to Newman and Weissbrodt, "a customary norm binds all governments, including those that have not recognized the norm, so long as they have not expressly and persistently objected to its development." See Frank Newman and David Weissbrodt, *International Human Rights: Law, Policy, and Process* (Cincinnati, Ohio: Anderson Publishing, 1996), p. 18. In order to give the principles articulated in the Universal Declaration of Human Rights greater clarity, the United Nations drafted a Covenant on Human Rights. The ensuing debates as to whether economic and social rights are of the same character as civil and political rights resulted in two separate and overlapping documents: the International Covenant of Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights. The Covenants are legally binding treaties which entered into force in 1976 after the required number of states, 35, ratified them. As of August 2002, 145 states had become parties to the International Covenant of Economic, Social and Cultural Rights and 148 states are signatories of the International Covenant on Civil and Political Rights. China, Cambodia, Laos, the Philippines, South Korea, Thailand, and Vietnam are among the signatories for both treaties.

4. The International Covenant on Civil and Political Rights guarantees a large number of individual rights and freedoms, including the rights associated with the "integrity of the person," such as the freedom from extrajudicial execution, torture, forced disappearance, arbitrary imprisonment, or discrimination based on political or religious beliefs; freedom from slavery and forced labor; plus the civil right to marry and found a family, participate in government; and freedom of movement and assembly. The International Covenant on Economic, Social and Cultural Rights protects the right to work and fair remuneration, the right to an adequate standard of living, health care, education, and social security.

5. The logic of Asian values, in regard to human rights, was established by the Asian Intergovernmental Meeting, Bangkok, March 29 to April 2, 1993, pursuant to U.N. General Assembly Resolution 46/116 of December 17, 1991, in the context of preparations for the World Conference on Human Rights. The ministers and representatives of Asian states, meeting in Bangkok prior to the world conference (Vienna, June 1993), adopted what has become known as the Bangkok Document. Supporters of the Bangkok Declaration believe that the 1948 Universal Declaration on Human Rights is a Western ideal of individual autonomy that does not reflect Asian sensibilities. The Bangkok Declaration would require an interpretation of human rights within the framework of each country's national and regional conditions and values. Government leaders in Malaysia and Singapore, along with Indonesia and China, have pressed the Asian values agenda in the Association of South-East Asian Nations (ASEAN). Thailand and the Philippines have given lukewarm support to the Bangkok Document, while India and South Korea support the universality of the principles of democracy and human rights.

rights may be restricted for the sake of communal well-being. Dr. Xiaorong Li, research scholar at the Institute for Philosophy and Public Policy at the University of Maryland, disputes the “community harmony” precedence claimed by Asian-values advocates. Li argues that by confusing community with the state, and the state with the governing regime, political leaders are concealing the regime’s interests as community rights. Consequently, any criticism of the current regime “becomes crimes against the nation-state, the community and the people. . . . What begins as an endorsement of the value of community and social harmony ends in an assertion of the supreme status of the regime and its leaders.”⁶ Aung San Suu Kyi, 1991 recipient of the Nobel Peace Prize, believes that the justification of culture and development simply “serve as pretexts for resisting calls for democracy and human rights.”⁷ The culture, community, and value systems of the poor and abused, in her opinion, are different from those with access to power and wealth. The elites’ call for cultural relativism is an attempt to “block the aspirations of peoples for democratic institutions and human rights.”⁸

Political and civil rights, for Asian-values advocates, may be deferred until other, more pressing, economic rights are met. Furthermore, to accelerate economic development and to maintain a stable political environment, a state may have to resort to authoritarian governing practices, often suppressing labor demands and political opposition. The Bangkok Declaration specifies that poverty and political instability are two of the chief impediments to securing proper human rights standards. In a 1993 statement, Singapore’s then-Minister for Foreign Affairs Wong Kan Seng declared that:

Poverty makes a mockery of all civil liberties. Poverty is an obscene violation of the most basic of individual rights. Economic growth is the necessary foundation of any system that claims to advance human dignity, and that order and stability are essential for development.⁹

Wong also added that, if political and civil human rights are an obstacle to economic progress, they would not be accepted, and an overemphasis on individual rights would retard the process of development. For many Asian leaders and policy makers, economic rights are the most fundamental of rights, while political and civil rights are viewed as a luxury to be considered

6. Xiaorong Li, “‘Asian Values’ and the Universality of Human Rights,” in *Dealing with Human Rights: Asian and Western Views on the Value of Human Rights*, ed. Martha Meijer (Bloomfield, Conn.: Kumarian Press, 2001), pp. 37–48, 42.

7. Aung San, “Freedom, Development and Human Worth,” *Journal of Democracy* 6:2 (April 1995), p. 11.

8. *Ibid.*

9. Wong Kan Seng, *Real World of Human Rights: Statement by Foreign Minister Wong Kan Seng of Singapore* (World Conference on Human Rights, Vienna, June 16, 1993).

only once everyone is fed. Li asserts that this is a false dilemma. Starving and illiterate masses are not faced with the choice between food and oppression. The economic development of the state is not the same as obtaining economic rights for the people.

Critics of the Asian concept of human rights fear that the state will simply defer indefinitely its obligation to protect and promote political and civil rights. Li believes that the rhetoric of Asian values provides leaders with “a convenient tool to silence internal criticism and to fan anti-Western nationalist sentiments.”¹⁰ Professor Wang Ming cautions, “The advocates of Asian values often have their own political agenda, using those values to justify their political dominance and privileges.”¹¹ Wang contends that restricting democracy until after a country develops is simply a justification for the elite to maintain their power and prestige. Singapore verifies this argument. Singapore scores a 2 on the 10-point Polity IV scale,¹² indicating low levels of democratic institutionalization and accountability. But its GNP per capita, as reported by the World Bank, places it as a high-income economy. In 1997, Singapore had a GDP per capita of over \$32,940, making it the state with the fourth largest GNP per capita in the world.¹³ According to Wong Kan Seng’s criteria, Singapore ought to be among the most free and stable countries of the world. Clearly, an authoritarian government’s pretense of subordinating political rights to political stability and economic prosperity is intended to entrench elite power and encourage foreign investment. Studies of recent economic crises have led many economists to conclude that long-term stable economic development fares better in democratic countries. Michael Davis, for example, notes that the Southeast Asian financial crisis devastated the mostly anti-democratic Indonesia, while more democratic regimes, such as Taiwan, Thailand, and South Korea not only fared better, but even bounced back quicker.¹⁴

Wang Ming also reports that many Asians do not believe that political rights and civil liberties must be suspended in order to achieve economic prosperity.¹⁵ Democracy, many believe, will constrain corrupt governments by making them accountable to the public. Regimes that exhibit democratic forms of government are less likely to abuse their citizens, since democracies

10. Li, “‘Asian Values’,” pp. 37–38.

11. Wang Ming, “Human Rights and U.S.-Japan Relations in Asia: Divergent Allies,” *East Asia: An International Quarterly* 16:4 (Autumn–Winter, 1998), pp. 137–68.

12. Data on the Polity IV project can be located at <<http://www.bsos.umd.edu/cidcm/polity>>.

13. World Bank, *World Development Indicators* (Washington, D.C.: The World Bank, 1998/1999), pp. 190–91.

14. Michael Davis, “Human Rights, Political Values, and Development in East Asia,” in *Human Rights: New Perspectives, New Realities*, eds. Adamantia Pollis and Peter Schwab (Boulder, Colo.: Lynne Rienner, 2000), pp. 139–62.

15. Wang Ming, “Human Rights and U.S.-Japan Relations in Asia.”

allow citizens to remove oppressive leaders and constrain the power of the government, while respect of civil liberties permits abuses to be publicized. Economic rights and economic development simply do not require that a government torture, kill, or imprison its citizens.

Economic Globalization

Some claim that in our post-Cold War world of expanding, globalized capital flows and international technological transfers, the nation-state is no longer the main source of power. The scholar Pierre De Senarclens believes that new sources of power and authority, transnational corporations and intergovernmental agencies, are appearing in order to counterbalance the state's deficiencies in the new global market.¹⁶ Global markets and international businesses are wrenching away the state's sovereign power, redistributing the state's authority and control among international organizations and nongovernmental organizations (NGOs). The globalization of capital has resulted in a substantial loss of power and autonomy for the state. Furthermore, the state no longer holds a monopoly over the distribution of societal goods and services. Those who emphasize the positive effect of globalization often champion this approach.

Globalization's supporters argue that, while the state is the agent charged with the protection and promotion of human rights, it is also traditionally the primary violator of those rights. A benign model of globalization suggests that the liberalization of markets strengthens human rights by promoting development and reducing the authority of the state. Indeed, several studies on human rights, defined as physical-integrity rights, do indicate a relationship between economic development, traditionally measured by GDP, and the higher achievement of human rights. The right to physical integrity (sometimes referred to as "personal integrity") is basic in that, without this right, no person can live without being in fear for his or her life and well-being. These human rights studies have found that there is a higher degree of personal integrity violations in poorer countries. Liberal economic policies, it is argued, will not only foster development in developing countries but also promote democracy and civil liberties. Professor Rebecca Moore believes that, "economic liberalization is also diminishing the power of the state by taking wealth out of the hands of the government and placing it in the pockets of individuals, who seek not just legal protection but also greater say in decisions affecting it."¹⁷ This new globalization is privileging individuals and weakening abusive governments.

16. Pierre De Senarclens, "Governance and the Crisis in the International Mechanisms of Regulation," *International Social Science Journal* 50:4 (December 1998), pp. 91-105.

17. Rebecca Moore, *Globalizations and the Future of U.S. Human Rights Policy* (Washington, D.C.: Center for Strategic and International Studies, 1998), p. 137.

In the eyes of globalization supporters, the activities of multinational corporations in free and open markets, with a minimal role for the state, are the main engine of economic development for developing countries, often bringing progress and prosperity. The globalization of capital also allows money to flow to the most productive and efficient business ventures. This trend increases profits, makes the economy grow, and sometimes results in positive social goals, such as improved living standards, higher employment levels, lower taxes, and larger capital expenditures on people, in areas such as health and education. Debora Spar reports that U.S. multinational corporations export human rights. Spar suggests that the presence of U.S. multinational corporations is associated with greater human rights in Third World countries.¹⁸ Moreover, MNCs have become aware that their economic interests are best served by the development of the rule of law within Third World countries.¹⁹

By contrast, a more negative view of developing countries' integration into the global economy, often attributed to dependency or neo-Marxist theorists, holds that multinational corporation activity contributes to human rights abuses.²⁰ Many MNCs have larger incomes than many Third World states. This gives MNCs considerable leverage over the governments of developing states. Third World countries are dependent on MNCs for trade, financial flows, technological transfers, and employment opportunities for their citizens. Economic globalization thus exploits the developing world: cheap labor, minimal skill transmission, restrictions on technology transfers, and no long-term commitment to stay or reinvest in a country's economy. Consequently, foreign capital reinforces and strengthens repression in developing countries. To attract or preserve foreign investment, governments must lower business costs, thus suppressing labor demands and reducing corporate taxation rates. In such a system, Third World countries are held hostage to market demands when they seek to attract or maintain foreign investment. Stephan Haggard and Sylvia Maxfield maintain that "[i]ncreased financial integration holds governments hostage to foreign exchange and capital markets, forcing greater fiscal and monetary discipline than they might otherwise choose."²¹ In order to attract capital and business, a state must accede to the

18. Debora Spar, "The Spotlight and the Bottom Line," *Foreign Affairs* 77:2 (March-April 1998), pp. 7-12.

19. Professor Bo Li writes that under a rule of law no one, not even the government, is above the law. The concept implies an autonomous legal order that regulates government behavior, provides equality before the law, and requires a procedural and formal justice. The rule of law has become synonymous with the notions of legality, justice, and fairness. For a full discussion, see Bo Li, "What Is the Rule of Law?" *Perspectives* 1:5 (April 2000), n.p.

20. Alex Dupuy, "Thoughts on Globalization, Marxism, and the Left," *Latin American Perspectives* 25:6 (November 1998), pp. 55-59.

21. Stephan Haggard and Sylvia Maxfield, "The Political Economy of Financial Internationalization in the Developing World," *International Organization* 50:1 (Winter 1996), p. 35.

demands of private economic actors, MNCs. State decision makers are susceptible to MNCs' threats to leave. If government officials attempt to enact unfriendly policies, the result could lead to capital flight, loss of tax revenues, and massive unemployment. States may feel that they have no option but to entertain MNCs if they want to increase their economies, employment, and tax revenues.

For those opposed to globalization, its destructive effects are not limited to the influence of private, foreign, or bilateral capital. Intergovernmental organizations also contribute to the repressive conditions within recipient countries. The austerity programs imposed by financial institutions have some very negative effects on the people of the Third World. Anti-globalists argue that pressure from international financial institutions has created perhaps the strongest form of dependency since the end of colonialism. Poor countries must follow International Monetary Fund (IMF) dictates or their access to loans is cut off. In order to qualify for funding from international organizations, the state must fashion its economic policies to comply with the rules and norms established by the major actors. Thus, states in need of loans cede their decision-making authority to international agencies such as the World Bank, the IMF, or the World Trade Organization (WTO). As political scientist Kurt Mills puts it, Third World countries "are frequently beholden to the World Bank and IMF for funds . . . and must agree to extreme austerity measures and reorganization . . . thus further externalizing control over important economic and social policies."²² World Bank- and IMF-imposed structural adjustment policies include privatization of the economy, deregulation of capital transfers, elimination of trade restrictions, and reduction of restrictions on foreign investment. Structural adjustment policies eliminate state intervention into the free operation of market processes.

Then again, some scholars conclude that for those countries unable to attract external private investment, foreign aid provides the sole source of funds for economic development. Mahmood Monshipouri believes that where private domestic or foreign capital is lacking, bilateral and multilateral foreign aid is essential in breaking this vicious cycle of poverty and encouraging the realization of human rights. Bilateral and multilateral actions taken by the international community can be of assistance to the process of economic liberalization. The economies of many Third World countries are in disarray, requiring stabilization measures along with structural reforms. Monshipouri does warn, though, that the short-term effects of adjustment

22. Kurt Mills, *Human Rights in the Emerging Global Order* (New York: St. Martin's Press, 1998), p. 24.

must be mediated in order to protect the well-being of the poor. Rapid or severe adjustments may cause civil unrest and riots.²³

Framework for Analysis

This study investigates the interplay between the state and the market to assess the impact of globalization on the attainment of human rights standards in Southeast Asia. The author collects a comprehensive data set utilizing 11 countries in East and Southeast Asia, from 1990 through 1996. The countries included in this study are China, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, South Korea, Singapore, Thailand, and Vietnam. The unit of analysis is country-year ($N = 77$).²⁴

The dependent variable is human rights as measured by the Political Terror Scale (PTS). The PTS measure of human rights is limited to the subgroup of human rights that pertain to the physical integrity of the person. Abuses that violate the integrity of the person include execution, torture, forced disappearance, arbitrary imprisonment, or discrimination based on political or religious beliefs. The PTS codes countries on a scale of 1 to 5 according to the level of terror reported in annual State Department Country Reports and Amnesty International reports. The lower the score on the PTS, the better the human rights rating. The higher the score, the worse the human rights conditions in a country. Following scholarly precedent, the scores are then averaged to comprise an index of political terror, producing a "fairly reliable measure of human rights practices."²⁵

In order to determine if the proponents of Asian values are correct in their assertions that Asian nations should be judged on the achievements of economic development, not on their adherence to the standards of the International Covenant on Civil and Political Rights, I include the conventional measure of economic growth, GDP per capita (logged).²⁶ GDP per capita presents information on strength and growth of the state's economy, a gross

23. Mahmood Monshipouri, *Democratization, Liberalization and Human Rights in the Third World* (Boulder, Colo.: Lynne Rienner, 1995).

24. Due to the temporal and spatial nature of the data, a pooled time-series cross-section design is used to evaluate the impact of the global economy on human rights achievements using Ordinary Least Square (OLS). To minimize the problems of heteroskedasticity associated with using data with a large range of distributions, economic data were standardized to the population of the Asian country or logged. A Cook-Weisberg test for heteroskedasticity indicates constant error variance.

25. Jackie Smith, Melissa Bolyard, and Anna Ippolito, "Human Rights and the Global Economy: A Response to Meyer," *Human Rights Quarterly* 21:1 (February 1999), p. 213.

26. One of the basic assumptions of multiple regression is that of normal distribution, a theoretical distribution of cases where the mean, median, and mode are the same. To correct for a non-normal, asymmetrical distribution, the most common mathematical procedure is to transform the data using a natural logarithm, or to "log" the data. See Lawrence Hamilton, *Regres-*

measure of market activity. GDP is the combined total of all financial exchanges, and therefore indicates the amount of wealth generated in a state.

Since GDP per capita is simply a measure of total output (the dollar value of finished goods and services), which tells us nothing of the human side of economic development, I also include as a dependent variable infant mortality rates. Infant mortality is widely accepted as a proxy measure for the achievement of human well-being and economic progress. It can be used to estimate the fulfillment of economic rights in that it indicates an increase in the human aspects of development: freedom from want, an improvement in the standard of living, and a reduction in poverty and income inequality. A high rate of infant mortality is believed to reflect inadequate medical care, poor infrastructure impeding rural access to medical assistance, restricted access to clean water and sanitation, lack of adequate nutrition, and high levels of poverty.²⁷

The concept of globalized finance will be evaluated by examining foreign direct investment (FDI), portfolio investment, and foreign aid.

Foreign Investment

Foreign investment will be measured by foreign direct investment and portfolio investment. FDI is when multinational corporations, the majority of which are headquartered in the Western industrialized countries, invest in a corporation in another nation, either by buying an existing business or by furnishing capital to launch one. FDI presupposes a long-term investment commitment. The success of the foreign subsidiary benefits both the host and the home country. Supporters of economic globalization intimate that FDI is a catalyst for economic development because of the transfer of technology, management know-how, and access to export markets.²⁸ FDI benefits economic growth through capital accumulation in the recipient economy. Furthermore, FDI encourages the transfer of technology and increases the human capital (training and skills) that has also been shown to promote economic growth. Since several studies on human rights establish a relationship between economic development and human rights achievement, I hypothesize

sion with Graphics: A Second Course in Applied Statistics (Belmont, Calif.: Duxbury Press, 1992).

27. To better understand the relationship between infant mortality and economic and social phenomena, please visit the United Nations Children's Fund (UNICEF) website: <<http://www.unicef.org/>>. For a comprehensive study on infants' and children's conditions in the world's 48 poorest nations, see UNICEF, *Poverty and Children: Lessons of the '90s for Least Developed Countries* (Oxford: Oxford University Press, 2001).

28. Gary Burtless, Robert Lawrence, Robert Litan, and Robert Shapiro, *Globophobia: Confronting Fears about Open Trade* (Washington, D.C.: Brookings Institution, 1998).

that FDI will have a positive impact on human rights, infant mortality, and economic development.

Portfolio investment occurs when foreign investors buy the stock of a corporation (less than 10%) without buying the corporation outright. Portfolio investment tends to be directed toward short-term ventures that are highly mobile and subject to capital flight. At the first sign of trouble, portfolio funds can quickly and easily be withdrawn. A further shortcoming of portfolio investment is that it often does little to enhance the growth opportunities of the host country. Portfolio investments place more restrictions on the policy options of governments. The withdrawal of, or threat to withdraw, international investment capital disciplines government spending and taxation policies. That is to say, such threats restrict a government's funding of social or welfare programs. Given the fickle nature of portfolio investment, I hypothesize that it will not benefit human rights or infant mortality, but will be a positive determinant of GDP per capita. The data on FDI and portfolio investment are standardized to the country's population in order to minimize the problem of heteroskedasticity.²⁹ The normal logging transformation process is inappropriate, because of the large number of zero or negative amounts in the data.³⁰

Trade Openness (Logged)

To be economically successful in the post-Cold War era requires countries to find their comparative advantage and compete effectively in international markets. Liberal economic theory posits that international trade benefits both trading partners. Consequently, removing barriers to free trade will enhance economic growth and development. Export-led market capitalism, which means that production is not intended for domestic consumption, is the key. Exporting corporations tend to be technologically more innovative and larger (thus better at utilizing economies of scale), and therefore they can outperform domestically oriented firms. Export trade indicates not only how exposed a country is to the benefits of international markets, it will also indicate how efficiently the country has exploited its comparative advantage. Dr.

29. Heteroskedasticity is a statistical term meaning unequal error variance. Heteroskedasticity violates the second assumption of multiple regression analysis. There are several causes of heteroskedasticity; the most common is a variable with a wide range of observations. In this study the range of FDI is from -\$5 million to \$40 billion. By standardizing to the country's population (FDI/population) the variation is greatly reduced, thus correcting for the problems associated with unequal error variance.

30. Data on foreign direct investment were taken from the International Monetary Fund, *Balance of Trade Statistics Yearbook* (Washington, D.C.: IMF, 1991, 1992, 1993, 1994, 1995, 1996, 1997), Table 24 in Part 2. Data on portfolio investment were taken from *ibid.*, Table 27 in Part 2.

Wesley Milner found that trade openness, as measured by exports plus imports as a percentage of GDP, is a positive determinant of human rights.³¹ Thus, I postulate that human rights conditions, infant mortality, and GDP per capita will improve with economic growth sparked by higher levels of international trade.³²

Official Development Assistance (Logged)

Official Development Assistance (ODA) consists of loans and grants to be used by recipient countries for, broadly, economic development. The majority of aid is distributed bilaterally from Development Assistance Committee (DAC) countries.³³ Bilateral ODA has been subject to political and economic agendas of donor states, raising the fear that some bilateral aid may interfere in the development process and may be harmful to the poor. Bilateral grants are often procurement-tied. This means that, as a condition of the aid, the recipient must purchase equipment and services from the donor country's companies. The purpose of foreign aid is to subsidize domestic business, open foreign markets, and provide employment for domestic workers. Therefore, I predict that bilateral aid will not be statistically significant in assessing the achievement of human rights or infant mortality, but will prove very beneficial for economic development.³⁴

Financial flows from multilateral agencies are believed to be less prone to the drawbacks of bilateral aid.³⁵ Multilateral agencies can better balance the allocation of official development assistance on need, rather than leave aid allocation to the donor's self-interests. Yet, multilateral aid is not without social costs. Multilateral aid often comes with strings attached, requiring the

31. Wesley Milner, "Economic Freedom, Globalization and Human Rights: Can We Have It All?" *Journal of Private Enterprise* 15:2 (Spring 2000), pp. 35–61.

32. Data on trade were taken from: International Monetary Fund, *Balance of Trade Statistics Yearbook* (Washington, D.C.: IMF, 1991, 1992, 1993, 1994, 1995, 1996, 1997).

33. The Development Assistance Committee is the principal body through which the Organization for Economic Co-operation and Development (OECD) handles issues related to multilateral foreign aid and sustainable development in developing countries. DAC is headquartered in Paris. DAC countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

34. The data on Official Development Assistance disbursements were collected from OECD, *Geographical Distribution of Financial Flows to Aid Recipients*, (Paris: OECD, 1991, 1992, 1993, 1994, 1995, 1996, 1997).

35. The multilateral agencies are the World Bank, the International Finance Corporation (IFC), International Development Association (IDA), the Inter-American Development Bank (IDB), the African Development Bank (AfDB), the African Development Fund (AfDF), the Asian Development Bank (AsDB), the Caribbean Development Bank (CarDB), the Commission of the European Communities (CEC), the International Fund for Agricultural Development (IFAD), and concessional loans from the IMF.

recipient country to implement economic reform and institute policies of structural adjustment. Structural adjustment, or conditionality, as it is sometimes called, is a mechanism used by the IMF and the World Bank where money is made available to nations for the radical restructuring of their economies to eliminate economic inefficiencies, mismanagement, and spendthrift programs, thus enabling the nation to meet its financial obligations to other nations. The IMF lends money only on condition that the debtor state accepts economic and social reforms designed to eliminate balance of payment difficulties. The poor, particularly women and children, shoulder the brunt of these reforms and adjustments.³⁶ Given the janus nature of multilateral aid, free of donor restrictions yet constrained by structural adjustment conditions, I would suspect that multilateral ODA would prove statistically insignificant in the attainment of human rights standards.

Although the primary focus of this work is economic globalization's effects on human rights attainment, one cannot forget the state. In an era of globalization, the state nonetheless remains a crucial medium between economic forces and transnational actors and the individual. What a state does, how it reacts to globalization's pressures, and what policies a state feels compelled to develop, are all important considerations for human rights analyses, even those that emphasize the positive link between globalization and human rights. Several domestic variables will be included in the model as control variables. These variables are democracy, conflict, social welfare spending, and economic development. Past research has found that domestic variables provide a powerful explanation for cross-national variance in human rights abuses.³⁷

Democracy

The concept of democracy has long been held as the primary determinant of human rights standards (defined as personal integrity rights). Democratic re-

36. Donna Sullivan states that structural adjustment policies have a disproportionate consequence for women. Governmental reorganization and downsizing have forced women, in larger numbers than men, out of the paid labor market. See Donna Sullivan, "Women's Human Rights and the 1993 World Conference on Human Rights," *American Journal of International Law* 88:1 (January 1994), pp. 152-67. Susan Joekes writes that, "Falling wages, fewer jobs and higher prices for basic goods ravaged the standard of living of millions already deep in poverty . . . women and children suffered most; as a graphic measure of the ultimate cost, infant mortality rates rose in poor families, reversing the historic trend." Susan Joekes, *Women in the World Economy* (New York: Oxford University Press, 1987), p. 9. Because of the reductions in governmental spending for social services, women's access to nutrition, health, education, and training programs diminishes.

37. William Meyer, *Human Rights and International Political Economy in Third World Nations* (Westport, Conn.: Praeger, 1998); Steven Poe, Neal Tate and Linda Camp Keith, "Repression of the Human Right to Personal Integrity Revisited," *International Studies Quarterly* 43:2 (March 1999) pp. 291-314.

gimes, with well-established legislatures and judiciaries, can protect citizens from unscrupulous MNC practices through regulation and lawsuits.³⁸ Polity IV measures the institutional aspects of democracy for 161 countries (for my concerns, I utilized the data for the years 1990–97 for East Asian countries). Democracy is measured on a scale of 0 to 10; where 0 is the least democratic and 10 is the most democratic. Autocracy is also measured on a 0 to 10 scale, where 0 indicates the least autocratic and 10 is the most autocratic. The “polity score” is created by subtracting the autocracy score from the democracy score.

Conflict

Regimes that are engaged in either international or internal conflict are more likely to engage in domestic political violence to maintain their political power and restore civil order. Conflict creates an environment where repression and human rights abuses are often rationalized as “in the public good.” Conflict is coded as a dichotomous variable. If the country was involved in international or internal conflict, it was coded 1, if not, the variable was coded 0.³⁹

Social Welfare

States vary in their capacity and willingness to address social issues. According to some analysts who are relatively negative about globalization’s promises, globalization weakens the state’s ability to pursue compassionate economic policies because it is forced to pursue policies furthering market efficiency and privatization.⁴⁰ Theoretically, the inclusion of a measure of social-welfare spending will determine the strength of state sovereignty in its ability and willingness to withstand global market pressures. Social-welfare spending will be measured by the amount of governmental spending on education as a percentage of total governmental expenditures.⁴¹

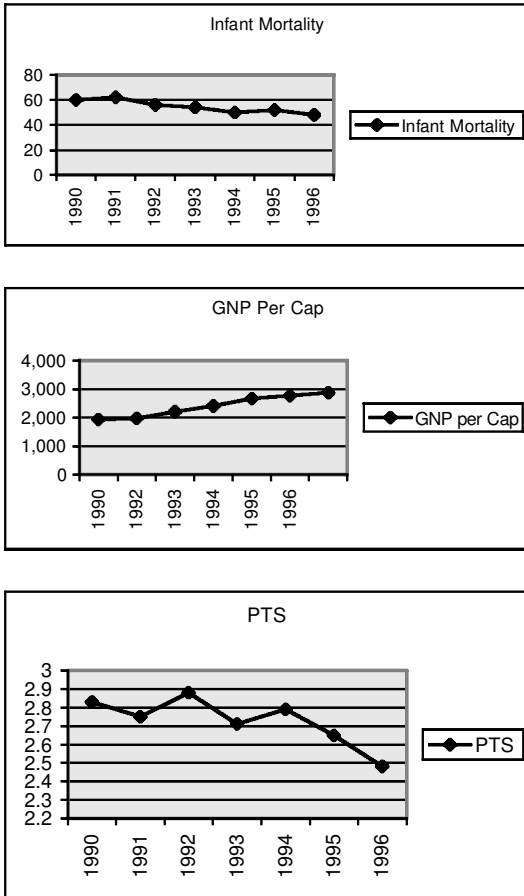
38. The data is generously provided by the Polity IV Project, Monty G. Marshall and Keith Jagers, principal investigators; Monty G. Marshall, project director, Robert Gurr, founding director. The data can be located on their website: <<http://www.cidcm.umd.edu/inscr/polity>>.

39. Peter Wallensteen and Margareta Sollenberg, “Armed Conflict, 1989–2000,” *Journal of Peace Research* 38:5 (September 2001), pp. 629–44.

40. Stephan Haggard and Sylvia Maxfield, “The Political Economy of Financial Internationalization in the Developing World,” in *Internationalization and Domestic Politics*, eds. Robert Keohane and H. Milner (Cambridge: Cambridge University Press, 1996); Kurt Mills, *Human Rights in the Emerging Global Order* (New York: St. Martin’s Press, 1998).

41. The data on governmental spending education were pieced together from several sources: International Monetary Fund, *Governmental Finance Statistics Yearbook* (Washington, D.C.: IMF, 1991, 1992, 1993, 1994, 1995, 1996, 1997); World Health Organization, *The World Health Report* (New York: Oxford University Press, 1991, 1992, 1993, 1994, 1995, 1996, 1997); United

FIGURE 1 *Trend of Dependent Variables over Time*



SOURCE: *Generated by author.*

Discussion of Findings

So, are East and Southeast Asian governments fulfilling their obligations to their citizens? East and Southeast Asia are reducing the amount of physical-integrity abuses inflicted on their citizens. Yet, with every two steps forward, there is one step backward. Overall, there is a distinct downward trend in abuses. There has been a reduction in the PTS score of almost one-half point

Nations, *National Accounts Statistics* (New York: Oxford University Press, 1991, 1992, 1993, 1994, 1995, 1996, 1997).

during the period under study. The human rights of Asian citizens are slowly advancing.

Infant mortality rates have decreased dramatically in the short period under study (1990–96), from a high of 62 deaths per 1,000 live births to a low of 48. A reduction in income inequality, freedom from want, an improvement in the standard of living, and a reduction in poverty are associated with a reduction in infant mortality rates. Since the infant mortality rate is an established measure of human well-being and social progress, we know that the economic rights of East and Southeast Asian citizens are being progressively fulfilled.

Economic development, as measured by annual GDP per capita, is increasing. In 1990, GDP per capita averaged \$1,923, but this increased to more than \$2,869 by 1996. Although many would say that the state's right to develop is different than an individual's economic rights, several studies indicate that these phenomena are intertwined.⁴²

Economic, social and political improvements have been shown, but what is the influence of globalization on these improvements? A pooled times-series Ordinary Least Square (OLS) regression is used to analyze the effects of economic globalization on human rights. The results of this analysis are presented in Table 1.

Significant amounts of the variation in my three dependent variables are explained by the independent variables, as indicated by the large R^2 s. As one would expect, the inclusion of a measure of social welfare spending, measured by the amount of governmental spending on education as a percentage of total governmental expenditures, is a strong determinant of physical integrity human rights achievements, infant mortality rates, and economic development. Governmental spending on education mediates the effects of globalization now, and offers hope for a prosperous future for one's children. Education increases the opportunities and redistributes economic and social goods, thus decreasing political instability and governmental repression. As is well documented, a government's investment in education leads to a decline in infant mortality rates and an increase in economic development. This finding supports the research undertaken by the *World Development Report 1999/2000*.⁴³ The World Development Report found a strong link between education and economic growth. Citing the "Lessons from East Asia," the World Development Report writes, "These economies invested heavily in education—including female education. The investments paid off in contributions to [economic] growth."⁴⁴ The payoff for investing in education is

42. Seyom Brown, *Human Rights in World Politics* (New York: Longman, 2000); United Nations, *Human Development Report* (Oxford: Oxford University Press, 1995).

43. United Nations, *World Development Report* (Oxford: Oxford University Press, 2000).

44. *Ibid.*, p. 17.

TABLE 1 *The Effects of Globalization on Human Rights Achievement in Asia (OLS Regression)*

	<i>Political Terror Scale</i>		<i>Infant Mortality</i>		<i>GDP Per Capita</i>	
	<i>b</i> (<i>se</i>)	<i>beta</i>	<i>b</i> (<i>se</i>)	<i>beta</i>	<i>b</i> (<i>se</i>)	<i>beta</i>
Polity IV	-.02 (.02)	-.13	-.03** (.01)	-.18	.02* (.01)	.09
Gov. spending on education	-.16* (.08)	-.22	-.33*** (.05)	-.46	.32*** (.05)	.33
Conflict	1.22*** (.24)	.57	.05 (.15)	.02	.15 (.11)	.05
Portfolio/population	-.0007 (.0006)	-.11	-.0008* (.0004)	-.11	.001* (.0005)	.11
FDI/population	-.0005** (.001)	-.24	-.0006*** (.0001)	-.35	.001*** (.0009)	.41
Trade (logged)	.07 (.07)	.11	-.16** (.05)	-.26	.15*** (.04)	.18
Bilateral Aid (logged)	.23* (.10)	.37	-.04 (.07)	-.06	.22*** (.06)	.25
Multilateral Aid (logged)	-.16* (.08)	-.30	.13* (.05)	.24	-.42*** (.06)	-.57
Constant	2.19*** (.41)		4.43*** (.26)		5.8*** (.27)	
Adj. R ²	.64		.85		.91	
N =	74		74		74	

SOURCE: Generated by author.

= $p < .10$; * = $p < .05$; ** = $p < .01$; *** = $p < .001$

substantial. Increasing the average education level of the work force by one year is correlated with a rise in the GDP by 9%. This increase remains constant for the educational attainment by three years and raises the GDP by 27%. Each additional year thereafter, there is an increase in the GDP by four percent. Governments that spend more in the education of their citizens are rewarded with higher levels of productivity and innovation resulting in larger GDPs.

The variable democracy, as measured by Polity IV's determination of the general openness of political institutions, does not have any statistical significance in the government's use of non-judicial execution, torture, forced disappearance, and arbitrary imprisonment. Democracy has a positive effect on economic development. The Polity variable is statistically significant for GDP per capita, indicating that there is a positive relationship between insti-

tutional democracy and rising GDP per capita. For those states wishing to bolster their economies, the proclaimed goal of Asian-values advocates, action to institutionalize democracy will help facilitate this objective. Furthermore, democracy also proves to be significant on the human side of economic development, as measured by infant mortality rates. Democracy increases the prospects of economic and social development in the region of East and Southeast Asia.

States involved in international or internal conflict do violate the human rights of their citizens. When faced with threats, either domestically or internationally, leaders respond with force and repression. In fact, when international or internal conflict is present, the PTS score increases by more than 1.2 points on a five-point scale, indicating that human rights abuses increase dramatically. Conflict is not a statistically significant determinant of either infant mortality or GDP per capita.

Physical Integrity Rights

Foreign direct investment has a statistically significant positive effect on personal integrity rights. With foreign direct investment, the foreign corporation owns or has controlling interest in an enterprise and can institutionalize labor and wage regulations. Multinational corporations are exporting human rights, if only to prevent consumer boycotts. Large retailers such as Wal-Mart or Dayton Hudson, and large manufacturers like Reebok and Levi Strauss, under Western consumer demand, have pulled their businesses out of countries that violate human rights to relocate in developing countries that observe at least a minimal standard of human rights. Dr. Spar reports that under consumer pressure the Levi Strauss Corporation, Macy's, Liz Claiborne, and Eddie Bauer pulled out of Burma from its use of forced labor.⁴⁵

FDI is also an important instrument for capital accumulation, higher productivity, and economic development. Human rights scholars have long understood that economic development is associated with better human rights standards. Thus, my hypothesis that FDI has a positive impact on PTS is supported. Spar's survey of U.S. multinational corporations involved in manufacturing and technology found that they require a stable, well-trained labor force rather than simply a cheap source of labor.⁴⁶ Furthermore, countries with educated and skilled workers can better utilize the technology and know-how associated with FDI. However, the positive benefits of FDI in exporting human rights standards, do not apply when the capital is accrued through portfolio investment. With portfolio investment, foreign investors

45. Spar, "The Spotlight and the Bottom Line," pp. 7-12.

46. *Ibid.*

simply own stock in a corporation or enterprise, and without a controlling share, cannot introduce human rights standards.

The results of this study indicate that the allocation of bilateral aid may be politically and strategically motivated and not necessarily based on humanitarian concerns. Bilateral foreign assistance was statistically significant in aggravating human rights abuses. The West's much-touted agenda of democratization, social advancement, and state building is not being fulfilled in its foreign-aid allocations. The Development Assistance Committee may preach good governance, human rights, and democracy, but it does not reward efforts in those directions.

Based on the statistical analysis, multilateral aid is beneficial in securing human rights. In the aggregate, multilateral lending institutions appear to be responding to international political pressure to restrict or deny aid to those countries that systematically abuse their citizens. As multilateral aid per capita increases, the PTS abuses decrease.

Economic Rights

Private external capital flows, FDI, and portfolio investment have a positive effect on economic rights, measured by infant mortality rates, as indicated by the regression coefficient. As foreign direct investment and portfolio investment increase, infant mortality rates decrease. There is an undeniable relationship between per capita income and an improvement in infant mortality rates. As the beta coefficient for FDI indicates in the third model, FDI is one of the strongest external sources of economic development. The gains from economic growth translate into social development. But, as a study by Judge, Mulligan, and Benzeval reveals, infant mortality rates are not merely associated with a rise in national income, as measured by GDP per capita, but primarily with income distribution.⁴⁷ In the case of East and Southeast Asia, FDI not only increases the wealth of the state but also increases the wealth of the poorer citizens. The beta coefficient for FDI reveals that it is almost as powerful in decreasing infant deaths as government spending on education. This supports past studies indicating that education, particularly the education of women, is one of the most important variables in decreasing infant deaths.⁴⁸

Trade decreases infant mortality. The benefits of international trade, by way of economic development, translate into improved living standards,

47. Ken Judge, Jo-Ann Mulligan, and Michaela Benzeval, "Income Inequality and Population Health," *Social Science and Medicine* 46:4-5 (February-March 1998), pp. 567-79.

48. Clair Apodaca, "Measuring Women's Economic and Social Rights Achievement," *Human Rights Quarterly* 20:1 (February 1998), pp. 139-72; Seth Scholer, Gerald Hickson and Wayne Ray, "Sociodemographic Factors Identify U.S. Infants at High Risk of Injury Mortality," *Pediatrics* 103:6 (June 1999), pp. 1183-1218.

medical care, and public services. Trade increases the national wealth while decreasing infant mortality rates, which indicates that the poor are also benefiting from export economies.

Multilateral foreign aid increases infant mortality rates. A 1989 study by Louis Imbeau reports that there is a positive correlation between foreign aid and economic inequality with a recipient country. Imbeau concludes that aid was redirected toward individual gain and elite advancement, rather than to the poor and disenfranchised.⁴⁹ The conditionality of multilateral loans, requiring some level of economic restructuring including elimination of subsidies, institution of user fees, devaluation of the local currency, privatization, or a reduction in governmental expenditures and employment, has a negative effect on infant mortality rates. Andreassen, Smith, and Stokke found that international lending increased food insecurity and required poorer households to spend larger amounts of their meager budgets on food.⁵⁰ The result is a growing gap between rich and poor, and the further impoverishment of the urban poor, the majority of whom are women and children.

Economic Development

FDI and portfolio investment are beneficial for economic development in East and Southeast Asia. FDI encourages the transfer of technology and increases the human capital (training and skills), which has also been shown to promote economic growth. The economies of East and Southeast Asia have moved from the traditional exportation of foodstuffs and mineral products to more high-tech manufacturing. The reason for investment, or the sector invested in, determines whether foreign investment is beneficial for host countries. Investment in primary product sectors, as opposed to manufacturing or technological sectors, carries few beneficial consequences for the developing country.⁵¹ FDI is most effective for growth enhancement when the capital is used to industrialize or improve technological capabilities of the developing economy. Several Asian countries have broken the cycle of underdevelopment thanks in part to foreign direct investment and its resultant capital flows and technology transfers.⁵² Studies have shown that FDI is most effective

49. Louis Imbeau, *Donor Aid: The Determinants of Development Allowances to Third World Countries* (New York: Peter Lang, 1989).

50. Bard-Anders Andreassen, Alan Smith, and Hugo Stokke, "Compliance with Economic and Social Human Rights," in *Human Rights in Perspective: A Global Assessment*, eds. Asbjorn Eide and Bernt Hagtvet (Oxford: Blackwell, 1992).

51. Hooshang Amirahmadi and Weiping Wu, "Foreign Direct Investment in Developing Countries," *Journal of Developing Areas* 28:1 (Fall 1994), pp. 167-90.

52. South Korea is frequently held up as the example of economic liberalization leading to a reduction in poverty, political liberalization and freedom. Capitalism has allowed the development of a burgeoning middle class. Many believe that Thailand, Indonesia, and Malaysia will follow suit. Dennis Encarnation, "Foreign Direct Investment: The Key to Asia's Future Eco-

when the human capital is adequately high.⁵³ Furthermore, countries with educated and skilled workers can better utilize the technology and know-how associated with FDI. East and Southeast Asia, according to the World Development Indicators estimates, have 68.9% of relevant age-group children enrolled in secondary schools (the United States has a 97.4% enrollment of relevant-age children).

Since portfolio investment requires less expense (less than 10% of outstanding stock), it is generally considered highly mobile and subject to capital flight and, therefore, not a benefit to economic or social development. This conclusion is supported by past studies of the effects of portfolio investment performed on global data sets. Portfolio investment is concentration in only a few prosperous developing countries in Latin America/the Caribbean and Asia, particularly the larger, more prosperous emerging markets of China, Indonesia, Thailand, South Korea, Singapore, Argentina, Brazil, and Mexico. Worldwide, 70% of all countries receive no portfolio investment or had a negative flow in portfolio income.⁵⁴ However, Asia receives 30% of all portfolio investment. This study finds that portfolio investment has a significant, positive influence on both infant mortality rates and economic development. Portfolio investment can be beneficial for economic and social development if the level of investment is substantial.

Trade has long been considered the engine of economic growth for developing countries. Not only does trade increase the amount of capital available to entrepreneurs and to government officials (via taxes), but it also enlarges employment opportunities while reducing the cost of goods (comparative advantage). Trade and development are not competing but are mutually reinforcing concepts. Trade is most effective for generating economic growth when it involves manufactured goods rather than raw resources or foodstuffs. Many developing countries and exporting corporations realize, because of advances in technology and intensified competition, that a skilled and productive work force is key to sustaining their comparative advantage. Western-inspired bilateral development programs focus on efforts to increase aggregated national income and industrial output, with little concern for personal integrity rights or social/economic development rights (infant mortality rates). Bilateral aid does increase GDP per capita. In the long term, increasing national wealth does benefit human rights.

conomic Growth?" *Brookings Review* 16:3 (Summer 1998), pp. 26–30; Xiaoqin Fan and Paul Dickie, "The Contribution of Foreign Direct Investment to Growth and Stability," *ASEAN Economic Bulletin* 17:3 (December 2000), pp. 312–22.

53. E. Borenztein, J. De Gregorio, and J. W. Lee, "How Does Foreign Direct Investment Affect Economic Growth?" *Journal of International Economics* 45:1 (June 1998), pp. 115–36.

54. Apodaca, "Global Economic Patterns and Personal Integrity Rights," pp. 587–603.

Multilateral ODA actually reduced GDP per capita, that is, it diminished economic development. A recent study found that the lion's share of foreign aid is spent on the recipient government's administrative bureaucracy, not on the development or implementation of projects designed to foster investment or growth.⁵⁵ Poorly planned projects ignore social realities in the implementation of advanced technologies or prestige projects. This type of aid is often directed toward projects that employ inappropriate technologies that require only a few highly skilled workers, expensive upkeep, and rapidly changing innovations.

Conclusion

Although this study is restricted to the region of East and Southeast Asia during the 1990s, several conclusions can be drawn from the effects of globalization on human rights. Rather than processes of globalization reducing or diminishing the importance of the state in securing human rights, this study reveals that the state remains an important source of power and authority in fulfilling the social, economic, and political needs of its citizens. The state can protect its citizens from the destructive aspects of globalization by increasing the social and political opportunities of the people. Public spending for education is the key for a healthy and prosperous future. Government spending on education increases economic development and economic rights, while also decreasing physical integrity abuses.

Institutional democracy, surprisingly, has no statistical effect on personal integrity rights but is still important in achieving economic rights and economic development. Democracy serves the interests of both the poor and the elite. The more democratic the state, the better it provides for its citizens, as indicated by the reduction in infant mortality rates and an increase in the state's GDP per capita.

FDI is the only globalization variable that promotes every aspect of human and economic development in Asia. Contrary to what many theorists and several well-publicized cases suggest, FDI benefits not only the state and elites but also the poor and underprivileged.⁵⁶ FDI is associated with a reduction in physical integrity abuses, decreasing infant mortality rates, and increasing economic development.

The evidence suggests that if Western government officials and decision-makers wish to encourage social and economic development abroad, a policy

55. Carol Graham and Michael O'Hanlon, "Making Foreign Aid Work," *Foreign Affairs* 76:4 (July-August 1997), pp. 96-104.

56. Dale Wimerley, "Investment Dependence and Alternative Explanations of Third World Mortality" *American Sociological Review* 55:1 (February 1990), pp. 75-91; York Bradshaw and Jie Huang, "Intensifying Global Dependency," *Sociological Quarterly* 32:2 (Spring 1991), pp. 321-42.

of economic engagement (trade) appears to be a feasible strategy. The recommendation for trade instead of aid is based on the questionable performance of aid. Bilateral aid is good for economic development, insignificant for infant mortality, and bad for physical integrity rights, while multilateral aid is good for physical integrity rights and bad for both infant mortality rates and national wealth. Trade, on the other hand, has a positive consequence for decreasing infant mortality rates while increasing national wealth. Thus, the recommendation for “trade not aid” ought to be given greater consideration among human rights scholars, activists, and politicians, as it is clearly a means of encouraging human welfare and economic growth.