

Negotiating Sovereign Debt and Human Rights: A Cross Cultural Study

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Abstract : The tension between human rights and loans provided by international development banks with hidden conditions in the pretext of development is a complex issue with significant implications for the rights of citizens in borrowing countries. It is important for all parties involved, including international banks, borrowing countries, and affected communities, to consider and respect human rights in the negotiation and implementation of development projects. Yet, it is rare for human rights actors or communities to have a seat at the negotiation table when loans are finalized. In our research, we conducted negotiation simulations in law schools to examine how international loan negotiations would play out if human rights actors and communities had seats at the table. We ran the negotiation simulations in Bangladesh, Nepal and India. We found that the presence of community groups and human rights actors makes a difference in loan outcomes. While the international development loan was accepted as opposed to rejected by negotiators in three countries, the cultural values of the respective countries played a significant part in terms of the final agreement. We present the findings and their implications for the design of human rights courses in law schools as well as larger policy implications for expanding the participation of actors in international development loan negotiations.

Keywords : law, development, debt, human rights

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