



U.S. Interests in Human Rights: Leveraging Prudent Policy Tools

Written Testimony by Mark P. Lagon
President, Freedom House

Senate Foreign Relations Committee

“Corruption, Global Magnitsky, and Modern Slavery – A Review of Human Rights Around the World”

July 16, 2015

Introduction

Chairman Corker, Ranking Member Cardin, distinguished members of the committee: it is an honor to testify before you on the current state of human rights around the world.

Today, I will look at two kinds of human rights problems and two kinds of judicious policy tools to address them. The human rights problems are (1) human trafficking – when governments fail to protect the most vulnerable – and (2) a more central problem where unaccountable governments *repress* and *rob* their citizenry, the centerpiece of Freedom House’s research and programming. The prudent tools to leverage U.S. influence I want to talk about are (1) Senator Corker’s legislation for an antitrafficking partnership fund and (2) Senator Cardin’s legislation for targeted sanctions on corrupt and rights-abusing officials.

I offer two simple messages: First, that addressing corruption, repression, and trafficking are about our tangible economic and strategic interests every bit as much as about our values. Unfortunately, the news is grim on repressive, unaccountable, corrupt governments around the world. The 2015 edition of *Freedom in the World*, Freedom House’s annual worldwide review of political and civil rights, found

freedom in decline for the ninth straight year. The annual State Department Human Rights Reports – finally released after weeks of delay – bear this out.

As President of Freedom House, I often hear objections that a multitude of human rights challenges globally are too ingrained for the United States to successfully affect or that there are already so many problems here at home we shouldn't bother with the many challenges overseas. These arguments are short-sighted and ill-founded.

Decisive U.S. global leadership is still needed both to serve as a beacon for human dignity and freedom *and* to advance our interests. Especially given globalization, our strategic and economic interests are inextricably linked with the protection and promotion of human rights.

Let's take two of the toughest cases. It is estimated that \$300 billion is lost per year in intellectual property theft, and China accounts for 70 percent of that loss.¹ If Chinese authorities respected rule of law, nowhere near this level of IP theft, including from U.S. headquartered multinational corporations, would occur. Human rights has a direct bearing on U.S. security interests, too. In Egypt, terrorist attacks have soared since General al-Sisi took power, and he has instituted arguably the harshest crackdown in modern Egyptian history.² Activists have been arbitrarily arrested, independent groups are being harrassed and shut down, and dozens have disappeared over the last several months.³ That is while the U.S. continues to give massive military assistance to that regime.

My second message is to encourage putting inexpensive, high-leverage, targeted tools in the U.S. foreign policy toolbox to advance those interests in human rights. There are tools that maximize U.S. leverage, will not cost the American taxpayer much, and avoid harm to innocent people and enterprises in the U.S. and globally. I'll touch on ones the Chairman and Ranking Member have been advocating.

¹ "The IP Commission Report," The Commission on the Theft of American Intellectual Property, May 2013, http://www.ipcommission.org/report/ip_commission_report_052213.pdf

² Michele Dunne and Robert Kagan, "Obama Embraces the Nixon Doctrine in Egypt," *The Washington Post*, April 3, 2015, http://www.washingtonpost.com/opinions/obama-embraces-the-nixon-doctrine-in-egypt/2015/04/03/597b3be0-d986-11e4-ba28-f2a685dc7f89_story.html.

³ Sarah El Deeb, "Egyptian security agencies increasingly detaining activists in secret, rights lawyers say," *U.S. News and World Report*, June 17, 2015, <http://www.usnews.com/news/world/articles/2015/06/17/secret-police-detentions-of-activists-on-the-rise-in-egypt>

Modern Slavery

In some countries, our foreign policy challenge is pushing governments to protect their most vulnerable populations. According to a conservative International Labor Organization estimate, human trafficking – aptly referred to as modern day slavery – victimizes some 21 million men, women, and children around the world through sexual and labor exploitation. While labor trafficking victimizes more people, sex trafficking yields more profits to the traffickers on the backs of its victims. Trafficking preys on the powerless and depends on corruption and weak rule of law in order to thrive.

But it is not only human dignity and freedom that suffer from the impacts of trafficking. Businesses and economies are impacted, as well. Businesses' value, productivity, and reputation suffer where gross exploitation of marginalized populations arise, so often facilitated by corruption. Economic growth, prosperity, entrepreneurship, and poverty alleviation benefit greatly from transparency, rule of law, predictability, and formal economic activity. Conversely, human trafficking is based on all the antitheses of these factors – not only dehumanizing its victims but undercutting the mutual interests of the U.S. and other nations in thriving markets grounded in access to justice for all.

Freedom House supports the Trans-Pacific Partnership (TPP) and the recent legislation to facilitate such trade deals. Senators Menendez and Cardin, among others, asked whether Tier 3 countries in the annual *Trafficking in Persons (TIP) Report* would be let into TPP. The Executive Branch must not send forward candidates for TPP who are in the lowest ranking in the *TIP Report*, about which it has given assurances to the Congress. In particular, Malaysia is a very problematic case with intermingled issues of corruption and lack of protections for marginalized and migrant populations, and should not be let off the hook of the intended “minimum standards” set out in the Trafficking Victims Protection Act.

Freedom House has emphatically endorsed Chairman Corker's *End Modern Slavery Initiative Act* (S. 553), which creates a grant-making foundation to address global trafficking and is funded by leveraging taxpayer resources with those of other nations, corporations, and philanthropic foundations. If passed, this legislation will take a bold step forward in the fight against modern slavery and will enable U.S. foreign policy to more effectively pressure governments to protect their most vulnerable populations. It is exactly the kind of prudent, canny foreign policy tool we need, an idea I will return to.

Authoritarianism and Corruption

Authoritarianism and the corruption that usually goes hand-in-hand with it also pose major challenges for human rights. Some erroneously believe authoritarian rule brings stability. In fact, the opposite is true. Repression breeds discontent, and a lack of democratic governance can create an enabling environment for terrorism. Freedom House analysis highlights how 90 percent of terrorist attacks and 98 percent of terrorism fatalities occur in Not Free and Partly Free countries, as opposed to Free democracies.⁴ Moreover, corruption often fuels human rights abuses, because corrupt officials will go to ever-greater lengths to hold onto power lest they lose their access to state resources. In addition to its well-known reports, much of what Freedom House does is civil-society capacity building partnerships. One important area of programming prepares journalists to uncover corruption and criminality, and withstand threats of violence, as Freedom House programs have done in Ukraine, Moldova, and Mexico. And I know corruption in Moldova. In 2008, as anti-trafficking ambassador, the office I directed saw and called out in the *TIP Report* how the head of a U.S.-funded anti-trafficking interagency office in Moldova was complicit in trafficking. A Tier 3 ranking lit a fire under its leaders to clean up the problem. Freedom House research indicates Moldova still has a long way to go in fighting corruption and strengthening democratic governance.⁵

The 2015 *Freedom in the World* report has two overarching findings. First, Freedom House found a troubling increase in the use of aggressive tactics by authoritarian regimes worldwide and saw worrying backsliding in accountable governance of nations of regional and economic importance: Venezuela, Egypt, Turkey, Thailand, Kenya, and Hungary. Our 2015 report found a more explicit rejection of democratic standards than previous years. Earlier, autocrats acknowledged international agreements and attempted to veil their undemocratic actions with quasi-democratic language—holding elections that were free but not fair, for example. Today, authoritarian rulers are turning to more aggressively anti-democratic behavior and harsher, more “traditional” tactics in places like Egypt, Rwanda, Ethiopia, and Vietnam; Azerbaijan’s crackdown on human rights defenders; and Russia’s invasion of Crimea.

⁴ Bret Nelson and Tyler Roylance, “Terrorism Remains Rare in Democracies,” Freedom House (blog), January 9, 2015, <https://freedomhouse.org/blog/terrorism-remains-rare-democracies#.VaW9TvkzI8I>

⁵ Vytis Jurkonis, “With Corrupt Elites at the Helm, Moldova Drifts Off Course,” Freedom House (blog), June 30, 2015, <https://freedomhouse.org/blog/corrupt-elites-helm-moldova-drifts-course#.VaW9zPkzI8I>

Second, the relationship of human rights to terrorism is crucial to an enlightened understanding of U.S. strategic interests. Again, repression amplifies the discontent fueling terrorism. And our annual report found a marked increase in authoritarian regimes using “counterterrorism” as an excuse to crack down on non-violent dissent and repress minorities. In China, terrorism is invoked as an excuse to repress the Uighur ethnic minority, jailing anyone expressing dissent and bringing ethnically Han Chinese to populate Xinjiang. A newly-passed “national security law” broadened the definition of what constitutes a threat to national security and has been used – as the State Department noted – “as a legal façade to commit human rights abuses.”⁶ Over the last week, more than one hundred lawyers, activists and other peaceful human rights defenders have been detained.⁷ So, too, even in strengthening a coalition of partners to fight ISIS as itself a threat to human rights, the U.S. government should take care not to give such partners – like Bahrain and its big sibling Saudi Arabia – a pass to crack down on peaceful opposition and civil society. I wear a Freedom House wristband (purple like the Not Free nations on our Freedom in the World map) to recall Abdulhadi Al-Khawaja, a journalist jailed in Bahrain since 2011 in just such an overreach by an autocratic “partner.”

Let me focus on cases Assistant Secretary Malinowski raised at the release of the annual *Human Rights Report*. In dealings with Iran, the United States should address the serious human rights concerns with at least the same energy as it did in negotiating a nuclear accord. The talks with Iran unfortunately coincided with a de-prioritization and de-linking of human rights from the global agenda, when they instead should have advanced the concerns that the Iranian people and the world share about the regime’s repression. Earlier this week, in spontaneous gatherings after the announcement of an agreement, Iranians reminded us of what those priorities were. They publicly chanted for the release of opposition leaders and declared that their next agreement should secure their civil rights. We must raise the cases of Americans detained in Iran and seek tangible progress on human rights and rule of law issues, including the hundreds of political prisoners, Iran’s staggeringly high execution rate, its repressive media and online environment, and its subjugation of women and religious minorities.

⁶ “U.S. Condemns Detention of Human Rights Defenders in China,” U.S. Department of State (press release), July 12, 2015, <http://www.state.gov/r/pa/prs/ps/2015/07/244820.htm>

⁷ Ivan Watson and Steven Jiang, “Scores of rights lawyers arrested after nationwide swoop in China,” *CNN*, July 14, 2015, <http://www.cnn.com/2015/07/13/china/china-activists-arrests/index.html>

In negotiations with Cuba, the United States must ensure that actual progress is made in moving the ball forward on human rights, civic space, and free elections. As in Iran, the yardstick of success for U.S.-Cuba policy is not merely the diplomacy in and of themselves—it is whether we use diplomatic relations to promote meaningful reforms and reduce cruel repression in Cuba. The United States’ decision to continue full speed ahead with the restoration of diplomatic relations – despite last week’s detention of more than 100 peaceful activists in Cuba⁸ – sends troublingly mixed messages about the importance of human rights and civil society for U.S. foreign policy.

Diplomatic engagement, when leveraged rather than seen an end in itself, can serve as an important and powerful tool in our foreign policy tool box to address human rights. But, as the United States Senate well knows, there are times at which new tools are needed.

Global Magnitsky Human Rights Accountability Act

The *Global Magnitsky Human Rights Accountability Act* is just such a tool. The *Global Magnitsky* bill would build on current U.S. policy of condemning human rights abuses and supporting human rights defenders by imposing visa bans and asset freezes on foreign officials responsible for gross human rights violations or large-scale corruption.

Freedom House has endorsed the *Global Magnitsky Act* and believes it will be an important and effective foreign policy tool for several reasons:

1. A visa ban would draw international attention to individuals responsible for human rights abuses and may constrain their ability to escape justice at home in the future by putting authoritarian rulers into a no-win situation: either they protect the most repugnant officials and thereby expose the cruelty of their regimes *or* they cut loose those officials who do their dirty work, undermining their ability to stay in power through any means.
2. The *Global Magntisky Act* imposes tangible consequences – something that may deter future human rights abuses. Perpetrators of human rights abuses usually are shielded by their

⁸ “U.S. raises concern over detention of 100 activists in Cuba,” *Reuters*, July 7, 2015, <http://www.reuters.com/article/2015/07/07/us-cuba-usa-state-idUSKCN0PH26S20150707>

governments and expect to evade justice. Some foreign officials may think twice about cracking down on opposition or civil society activists if they are unable to leave their country for the United States or access funds in U.S. bank accounts. An escape route to the United States matters a great deal to officials in some countries, particularly in the Americas.

3. It targets high-level corruption—the Achilles heel of authoritarian regimes. While human rights may seem to many ordinary citizens as a bit removed from their daily life, the injustice of high-level corruption is widely understood, and addressing it is widely supported by the public.
4. No country would be singled out. While comprehensive sanctions serve as an important and appropriate foreign policy tool in acute cases, the *Global Magnitsky Act* would successfully target abusers without harming average citizens. It could apply to countries like Saudi Arabia and Ethiopia that tend to escape criticism for their human rights abuses because of U.S. economic or security interests (although it would depend to a significant degree on congressional referrals for effective implementation).

Conclusion

To sum up, on the one hand, human trafficking victimizes the most vulnerable – particularly women, children, minorities, and innocent migrants. The *End Modern Slavery Initiative Act* leverages U.S. resources with partner funders and partner implementers to give those marginalized people basic access to justice.

On the other hand, the way in which more and more governments are repressing civil society and robbing their citizens with systematic corruption is Freedom House’s major analytical finding. We document how those human rights abuses are more brazen and directly coercive; fuel terrorism; and use counter-terrorism as the pretext to silence, detain, torture, and kill nonviolent dissenting voices. The State Department *Human Rights Report* offers copious additional evidence. The global targeted sanctions legislation named after a lawyer who was abused and killed in a Russia jail, Sergei Magnitsky, is just the kind of tool we need -- maximizing pressure on those who repress and rob, and minimizing collateral damage to others.

The U.S. has the smarts and more than the modest resources needed to apply these canny policy tools to move the needle back in the other direction, toward more global freedom. The U.S. Congress should swiftly pass both the *End Modern Slavery Initiative Act* and the *Global Magnitsky Human Rights Accountability Act* to promote not just our values but our strategic and economic interests by bolstering human rights.

Thank you.