

Globalization and Global Governance in 2020: Our Vision on International Organizations in 2020

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I. Globalization and Global Governance

1. The Challenge of Global Issues and the need for global governance

Since 1980s, economic globalization has been gaining momentum. More and more countries have integrated themselves into the world market in order to gain more welfare and interests, no matter willingly or reluctantly. Interdependence among nations all over the world has reached to an unprecedented level. One country's domestic policy making is increasingly constrained or influenced by external and international situations and vice versa. More and more domestic social and economic issues emerged with international impacts. So national governments can no longer overlook the international impacts and background when they deal with domestic social, economic and even political issues. They need international cooperation and coordination to solved domestic problems with international source and backgrounds. Sometimes, a national government will seek international coordination only for more efficient results of its domestic policy because of increasing interdependence.

At the same time, globalization brought numerous challenges in today's world with many worldwide-scaled issues, which is impossible to be solved by individual countries. These so-called global issues are the issues not only faced by individual country, but by many and the world as a whole. The feature of these issues lies in the indivisibility of the issues, for example, transborder pollution and crimes. The damaged result of these issues is impossible to be contained and divided by the border. All these global issues call for international cooperation and coordination. As these global issues become worse and more serious, the need for international cooperation will be increasing.

The global issues can be mainly categorized into three kinds: the first, political and security issues such as nuclear weapon spreads and international terrorism; the second, economic issues such as energy shortage, financial crisis and poverty relief; the third environmental issues such as pollution and global warming. All of above mentioned issues need international efforts to deal with. However, in the first category, the question is mainly to strengthen the international cooperation among nations through negotiations and common actions. It is not yet a matter of global governance as the political sensitivity and state sovereignty usually involves in this regard. Differences among nations usually are more than consensuses if politics and state sovereignty are involved. Although international organization plays a role in dealing with these issues, for example, the United Nations, especially the UN Security Council is the principal body in dealing with international political and security issues, common interests are mainly reached through negotiations and compromise among conflicting parties and nations. The international

organizations usually can not "govern" the issues. So it is not recommended to strengthen and improve the international organizations to deal with the first category issues.

The second and the third category issues are somewhat different from the first category. There are more common interests for global action. If the world society neglects the issues and takes less action to deal with them, there will be damages to almost all countries. Thus we believe there is an increasing need for global governance in this regard and international organizations should play an increasing important role to deal these global issues.

That the global issues brought challenges to all countries and raised the urgent need for global actions does not necessarily mean that the international cooperation will take place automatically. However, the development of global governance evolves very slowly. Narrow national interests, traditional perceptions and unilateral hegamonism all checked the development of international cooperation. All countries in the world should realize the urgent need, adopt a principle of mutual benefit and win-win cooperation and establish a fair, reasonable and acceptable-by- all-party mechanism of global governance.

Common interests need collective action while collective action needs initiatives. Many international political scientists and economists have pointed out the difficulties in international cooperation. Garrett Hardin's tragedy of the commons (Garrett Hardin, 1968) and the free rider problems (Charles Kindleberger, 1981; Mancur Olson, 1991) are typical examples of them. We do not agree Hegemonic Cooperation Theory (Seyom Brown, 1992). But we think initiatives in international cooperation are necessary. The initiative does not necessarily linked to hegemony and should not combine with big powers' force and central authority. But rather come from the sense of obligation and mission. Big players in the world society, no matter rich or poor should have an urgent missionary sense to take cooperative measures to meet the challenge. Why? Because they are the main gainers of the collective actions. From the cost and benefit analysis, most of the global issues would harm the weak and small nations the most as they have less ability to meet the challenge, yet they have less to loose. Big wealthy nations although in a better position in the absence of collective action, they pay comparatively high cost if the damage of all mentioned global issues is done to them. Hence, they should take the initiatives even with some starting cost. The overall benefit they gain from international cooperation will be much more than those small nations who will even though be free riders. Examples can be given in preventing international financial crisis and eliminating the air and water pollution. If the world society had not helped East Asian Countries in 1997 financial crisis, many more countries including those creditor-developed countries would have suffered a lot more than crisis hit countries assuming that they declared bankruptcy and stopped repaying the debts. If there is not any consensus efforts made in reducing carbon dioxide exhaustion, the cost paid by developed countries for global warming and climate changing will be much more than those of developing countries as the latter are lots more used to already deteriorated climate.

2. Roots of all global issues and importance of poverty relief in meeting the challenges

All global issues and challenges in the second and third categories are deeply rooted from increasing divergence between rich and poor nations and between social stratum. Population issue is mainly a development issue, which is increasingly worsened in underdeveloped nations. More and more studies showed that the population growth rate keeps high in low-income countries. Only when a country starts a real economic growth, population problem can be gradually solved. Take China as an example, in 1990 the annual population growth rate was 1.44%. In 1999 the rate dropped to 0.88%. The decade of 1990s witnessed the highest average economic growth rate of

9.2% per annual.

Financial crisis is often triggered by financial crocodile's speculations in the rich countries. Its direct impact is to reduce developing countries wealth and create more poverty in these countries. The developing countries now have become increasingly the target hit by financial speculators. No matter how many internal factors you can give in crisis hit countries, no one can deny the external factor of deliberate manipulation by those strong financial powers. People often mention that China was immune from crisis in 1997 mainly because china did not open its financial market although China had similar structural and financial system problems. This actually proved that the external factor is decisive in the break-up of financial crisis. The argument in this regard is clear that international efforts to prevent financial crisis should focus on helping the poor and developing countries to be immune from crisis rather than urging the poor and developing countries to exercise all rules played by rich developed countries.

Energy shortage is directly linked with the lifestyle set up by industrialized rich countries and followed up by most developing countries with huge populations. When the industrial countries accumulated the wealth through industrialization and exploited crude oil excessively, poor developing countries misleadingly believed that rich means wastefully consuming energy and to be rich is to consume more energy by the way industrialization. When more countries developed in the sense of old type industrialization, the speed of depletion of energy resources is inevitable. Also take China as an example, China's imports of petroleum is increasing year by year, as many Chinese believe that private car is the symbol of wealth and more and more of them save money to buy one. If we follow the life style of what developed countries have today, energy shortage problems will be worsened in the near future. Air pollution and global warming are thus increasing. If the rich countries are not willing to change the life style of excessive consumption of energy and to help the developing countries and especially most underdeveloped countries with energy saving and pollution reduction technology, the energy and air pollution issue would be impossible to solve.

For other challenges, such as species extinction, water shortages, forest depletion, and environmental pollution are all linked with poverty issues. When a country is poor and focused on producing enough food and consuming goods to support its population, it usually has no interests to protect its environment, but rather taking the destructive or environmental polluted measures to develop its economy. Although in the long run, the measure may force the country to pay high cost, the country would have been inclined to neglect it for the time being as they are facing the most important issue of poverty. With gap of income disparity increasing, poor countries would be more impatient and would adopt even worse measures to exploit their natural resources and destroy the forest and life species in an unprecedented seed. Without effective poverty relief policy and measure in these countries, natural resource depletion and environmental issues cannot be really eased up.

Even infectious diseases and Aids problems have something to do with disparity of wealth distribution among nations and social groups. Globalization increased international flow of goods as well as human beings. Diseases spread worldwide at faster pace. Newly emerged infectious diseases threaten all countries time and again. Science and technology development actually has the potential power to combat the threat. However, poor countries and poor people cannot afford the high price of new and effective medicine as medicine and pharmaceutical research and production become more and more money making oriented in rich countries. Sanitary education and infrastructure building that are crucial for disease reduction also need huge amount of money to invest. Poor developing countries lack this kind of resources. They need international efforts to

help them.

Therefore, we consider that most of the global challenges should be dealt with the international efforts to the poverty relief. There will not be any real solution to the issue without a significant relief of poverty in developing countries. As for transnational organized crime and international financial crisis, although they are not mainly the outcome of poverty, they add to the instability and the poverty of poor countries and the world as well. We believe that rich countries that benefit the most from globalization need to take initiative to deal with all these challenges.

3. Global Governance and global mechanism as international public goods

If consensus can be reached in above points and rich countries are willing to provide more resources for strengthening the international public goods, the international mechanism and organizations to deal with all these challenges would possibly be improved by 2020. In the sense of international politics, global governance is a kind of international public goods, which usually should be provided by government. But it is impossible to have a world government in the foreseeable future. International organization should provide these kind of public goods in stead. Thus every country in the world has the obligation to pay for the goods. However, just like in one country, taxpayer's income is different. The rich usually pay more than the poor do. International taxpayer should pay for the public goods according to each country's income. In this sense, rich developed countries should have more obligations to take initiatives to improve the international organizations and contribute more resources.

In the real world of today, problems lie both in the cost sharing and the providing of such public goods. As we mentioned earlier, most of the developed countries now have not much interest to make real contributions to improve international organizations. Many of them agree to enhance the world governance, but fear free rider problems. They do not want to recognize the fact that they are the principal gainers of globalization and they should have more obligations and share more cost in meeting the global challenges. They are concerned over the impacts brought by all those global issues and often blame the developing countries. They promise to support the developing countries but usually gave less than they promised. So common effort is often difficult to be launched when it comes to the cost sharing issue.

The other problem is that some big rich nations often try to control and manipulate the agenda and action of international organizations although they have a kind of missionary sense and are willing to take initiatives. They believe that the big contributor of the resources has big say and the right to decide. They ignore the democratic principle in international society. Owing to their power, these big rich nations can sometimes push ahead the global governance in right direction and enhance the effectiveness of international organizations, while at many other times they arouse conflicts and doubts as they neglect the rights of developing countries.

As we mentioned earlier, the cost of public goods offering should be shared by all taxpayer according to one's income. The rich who have paid more do not necessarily have more votes in a country. The same democratic principle should be applied in the world society. This may be too ideal. However, we should accept this principle in theory and try to work out more fair and reasonable mechanism. We should oppose discriminations among nations, oppose bullying weak small nations by big strong nations, and oppose manipulating international organization by a few big powers. We should not neglect the rights of participation and decision making of developing countries. When we make "rules of the game", we should understand the weak ability of developing countries to undertake certain obligations and invite all parties to negotiate the

solution. We believe that to continuously promote the North and South Dialogue is important in establishing an effective and workable mechanism of world governance.

II. Reform Vision of main International Organizations in 2020

1. International Organizations: an overview of inevitable reform

As we mentioned already that the world governance should be embodied in the work of international organizations but not a few countries' privilege. To meet the challenge of global issues, we need to enhance the whole architecture and the function of international organizations. Many scholars in international politics tried to define the words of international institution, international regime and international organization. (Hidemi Suganami, 1983; Friderich Kratochwil and John Ruggie, 1989; Andreas Hsenclever, Peter Mayer and Volker Rittberger, 1993) To us, international institutions, international system and international regime are similar and they are a set of rules and regulations set forth by participating countries through negotiation and agreement. The international organizations are the executing entities that are responsible to implement or supervise these rules. To enhance the international organizations means at same time to reform the international institutions and international system.

Although we believe the necessity of reform of international system, we think that there is only a few area where needs to establish a totally new international organizations in dealing with the global challenges. We have already had the United Nations, its functional organs, International Monetary Fund (IMF), the World Bank, World Trade organization (WTO), World Health Organization (WHO), Food and Agricultural Organization (FAO) and several other specialized agencies of the UN. Almost all the international efforts in governing the above mentioned issues can be embodied in current already established organizations. Then why we are increasingly challenged by all these global issues. The reason we think that lies in the out-of-date aims and structures of these international organizations.

Most of the international organizations were established in the post Second World War period and were founded by a small group of countries. These organizations including the UN were designed to maintain the peace and stability after the Second World War. The UN was designed to oversee the political and security conflicts and maintains a peaceful order among nations. IMF was planned to adjust international monetary and financial relations while an international trade organization, which was unable to form up until 1995 and was acting by GATT, to deal with international trade issues. On a whole the design was wise and the principal purposes of these organizations were correctly oriented. They made great contributions in maintaining the world peace, promoting the economic development and enhancing the welfare of all countries. However, after half a century, the world political and economic situation has changed a great deal. Especially after cold war, the main threat to peace and the focus of risk have been changing. Some specific aims of the international organizations and rules to realize them are obsolete. For instances, the UN peace keeping target is blurred and process is questionable; GATT was substitute by the WTO and the principal purpose of IMF to maintain free Multinational payment system is no longer necessary. Reform according to the new situation in the 21st century is inevitable.

Structural adjustment is also very important. As many of the current international organizations were founded under the initiatives of small group of countries several decades ago, the structure of the organizations more or less reflected the power structure of these countries at that time. For instance, the voting rights were not properly allocated according to democratic principle; the

setting of agenda is usually controlled by a few developed countries. If an international organization is going to play a more active role in meeting the challenge of globalization, it needs to reform in order to mobilize its all members' initiatives and support.

Of course, this kind of reform is not easy. It needs all countries' cooperation and especially the developed countries' endorsement. Disagreements among nations are common at beginning. However, if all countries are aware of the challenges we are facing and the benefit we will get in solving the above-mentioned issues, we believe that most of the countries in the world will cooperate at bearable cost.

Chinese government was not an active player in international system two decades ago. It regarded many international organizations as the means of developed countries to control developing countries. It was the believer of absolute state sovereignty and held the stand to oppose any of the action it considers would erode the state sovereign power. However, as we observe, it changes its attitude gradually on many of the issues in international mechanism. It still believes non-violation of state sovereignty in international cooperation but is not as rigid as before and willing to consider the exceptions that to exchange rights for interests. It tries to join most of the international organizations and to be an active member. We believe, as academic scholars, that China has become a responsible member of international society and will actively promote the effective global governance in the 21st century. The reason for China's change is not only the reform and opening up policy adopted by Chinese government, but also the globalization trend that made China be fully aware of the challenges it is facing in the new century. So we believe that with deep going trend of globalization, the international system is going to be reshaped in the first 20 years of the 21st century.

Our vision of 2020 is that current organizations will be strengthened and given more mandates to oversee the issues respectively.

2. International monetary system and the IMF in 2020

The so-called international monetary system is the systematic arrangements and rules concerning international monetary and financial relations. The current international monetary system was established in Bretton Woods, New Hampshire, the USA in 1944 and evolved through Jamaica agreement amendment. The IMF is the carrier of the international monetary system. The system worked well it broke down in early 1970s. After that, the setting of exchange arrangements and the status of reserve currency have been adjusted according to new economic climate in Jamaica meeting. However, the organization structure and the principal aim of the IMF were inherited. Before the Second World War, international monetary order was in chaos and foreign exchange controls were prevailing in international transactions. This did a great harm to international trade and economic development in most of the countries. Therefore it was necessary for IMF to pursued primarily the aim of promotion and assist in the establishment of a multilateral system of payments and elimination of foreign exchange restrictions in the after war period. In Article I of the IMF's articles of Agreement, there are six purposes of the Fund. Five of them deal with aspects of balance of payments of members and the multilateral payments. Thus the IMF can be regarded as the organization managing free payment problems. The IMF did a good job in promoting the multilateral system of free payment and hence promoted the international trade and economic development for more than two decades. But since 1980s, the main issue in international finance is no longer the risk of foreign exchange control but the risk of financial crisis. The momentum of financial deregulation and open-up of financial market in 1980s and early 1990s, greatly reduced the possible threat of foreign exchange control. At present, currency

current account convertibility has been almost universally achieved, although some of the IMF members still remain under the transitional provisions of Article VIII. Under this circumstance, IMF should shift its focus of adjustment to preventing financial crisis in order to maintain international financial stability. But it failed to fit itself to the new situation. It still adhered to the free payment purpose. It not only encouraged free payment towards the capital account, but also tries to make the capital account convertibility as the obligation of the IMF members. In September 1997, at its Hong Kong Meeting, the Interim Committee of the IMF “agree that the Fund’s Article should be amended to make the promotion of capital account liberalization a specific purpose of the Fund and to give the Fund appropriate jurisdiction over capital movement.” That is, it agreed to introduce what is known “capital account convertibility” as a part of the obligations of the IMF members (see Peter Lloyd, 1998). Only the spread over of Asia financial crisis stopped this trend and aroused the doubts about free capital movement.

After Asia financial crisis, many crisis hit Asian countries attributed their crises to capital mobility, particularly the short-term capital free movement. Some countries such as Malaysia and Pakistan even have reintroduced capital control. Many western economists also reconsider the effects of freedom of capital movement and supported view of negative effects (Bhagwati, 1998; Cooper, 1998 and Rodrik, 1998) Some even supported the capital control measures employed by developing countries (Simone and Sorsa, 1999; Stiglitz, 1999 and Ito and Edwards, 1999). All these show that the main purpose of the IMF is no longer suitable to the present situation. As a result, the Interim Committee of the IMF has backed away from the proposal and appeal for surveillance on short-term capital float has arisen.

In fact, not only the main purpose of the IMF is to blame, but also the whole arrangement of current international monetary system is responsible for the frequent breakout of financial crises in 1990s. Exchange rate arrangement is one of such. After amendments in 1978, the IMF gave up the surveillance on exchange regime. Members can adopt whatever exchange regime they think is suitable to them. So all kind of floating and pegging emerged. Distortions of exchange rates among currencies become a common phenomenon, which are the seeds of potential currency crisis. Many scholars blamed the developing countries’ exchange policy as the main factor for currency crisis. However, we believe that under current international situation, it would be impossible for a small open developing country to practice a flexible exchange regime without distortion. If a small open economy adopted a totally flexible exchange rate regime, the exchange rate of its currency would be fluctuating all the time and the currency would eventually lose its credibility. Money substitution would occur, usually in the form of dollarization. If it pegged its currency to the dollar, it would be bound to be rigid and distortion of exchange rate is unavoidable. This kind of dilemma is brought by the disorder of current system.

As for the Fund’s primary means to maintain monetary stability, the IMF provides short-term loans at concessional rates to members. The lending facilities and conditions changed over time, but the principal function of loans remained the same as before, that is to assist the member to overcome short term difficulties in balance of payments. It has no obligation to provide the funds for members to maintain exchange level or long term structural adjustment. In early July 1997, when the crisis first broke out in Thailand, the IMF did not provide any help; because it assumed Thailand would not lose its repaying ability. Many economists criticized its late action in Asia Financial crisis. But in fact, the IMF was not design to act as international lender of last resort. Only after Asian crisis, the IMF tried to be so. However, if the IMF play the role of lender of last resort, it should enlarge its Funding base. Many scholar proposed to expand its quota and the agreement has been reached in this regard (Sachs and Woo, 1999; Fischer, 1999; Fernandez-Arias and Hausman, 1999). But even if the Fund expand its quota to 90 billion US Dollar, its

comparative funding ability is small. The quota to members' GDP ratio is only one third as compared with that in 1945. If the Fund would allocate quota according to the criteria at that time, the present volume of the quota would be five times larger and would be nine times larger if measured according to trade volume. This means the IMF lending ability is comparatively decreased.

Some scholars also criticized the conditionality of the IMF loans because the conventional conditionality usually will worsen the economic situation as the contraction policy improves balance of payments while deepen and prolong the recession. Many Asian countries complained about the IMF's rigid policy. Eichengreen pointed out that the IMF should not only make more loans, but also should remove its lending conditions. He thought that the IMF's lending condition is not transparent and usually arbitrary. Strict restriction would make many countries refuse to accept IMF's loan.

We support the view points put forward by above mentioned economist and hold the view that IMF should be strengthened not only by enlarging its quotas, but rather be given the surveillance to supervise international short-term capital movements. It should have three main tasks: first, an international lender of last resort; second, international supervisor on capital movement; third, advisor for member countries on international financial issues.

Its main focus at present should be shifted to supervising member countries solvency, and giving the warning when it thinks necessary. The reason is clear. When the majority members realized current account convertibility and free capital movement became a prevailing trend, it is no longer important for IMF to pursue free payment purpose. The challenges for today are crises in financial markets with associated problems of capital flight, debt relief, banking supervision and corporate governance. The IMF should be the principal regulator in this area.

It should work together with the World Bank in financial crisis resolution. The World Bank should shift some of its development loan business to commercial financial institutions. Its role in this area should focus on guarantee and participation. It should spare some resources to financial crisis rescuing. Owing to its expertise in economic development, it should cooperate the IMF in drawing lending plans when helping a member country in difficulties. This could help the IMF avoid traditional mistakes that analyze the problem only from short-term monetary point.

As IMF is mainly participated by member countries' central banks, it should cooperate with the Bank of International Settlement (BIS) and act as an International Regulator of Hedge Funds. The BIS has longer history than the IMF as it was created in 1930 to manage the payment of German reparations after the First World War. Its objectives and roles evolved through time. Now the main objectives of the BIS are "to promote the cooperation of central banks and to provide facilities for international financial cooperation". For most of its history, the membership was restricted to developed countries' central banks and Eastern Europe but in recent years it has admitted central banks from Asia, Latin America and the Middle East. So it is more a world scale organization than a rich countries' club.

The BIS has several important roles. It is a meeting place for central bankers. It provides the secretariat for Basle Committee on Banking Supervision yet the Basle Committee is not formally a part of the BIS; this committee provides a forum for the discussion of banking supervision and issued the Core Principles of Banking Supervision. The BIS has established an Institute for Financial Stability. It also collects and collates the statistics and data of all kinds of transactions in financial markets. In all of these activities, the BIS either overlaps or supplements with the

work of the IMF. If the IMF establishes a kind of formal working relationship with the IBS and shares their comparative advantages, the surveillance of financial market will and debt relief will be greatly improved. The IMF has the advantage of its lending facility resources, which are critical to debt relief and bailouts, but it lacks experience in surveillance. While the IBS has the experience and expertise in banking and financial market supervisions but has limited lending resources. Cooperation and coordination between them is badly needed and a kind of mechanism to insure the cooperation should be established.

The IMF should also work closely with International Organization of Securities Commissions (IOSCO) in international financial market supervision. IMF may create a liaison section in charge of coordination with all other international financial organizations. The IOSCO is an international organization for securities regulators and was found in early 1970s and now its membership comprises regulatory bodies from 91 countries, who have day to day responsibility for securities regulation and administration of securities laws. The main objectives of the IOSCO are: “ to cooperate together to promote high standard regulation in order to maintain just efficient and sound markets; to exchange information on their respective experiences in order to promote the development of domestic market; to unite their efforts to establish standards and an effective surveillance of international securities transactions; and to provide mutual assistance to promote the integrity of the market by a rigorous standards and by effective enforcement against offenses”. The IOSCO also holds international conference on securities supervision every year and issues resolution as the code for securities supervision. As international securities transactions become more and more important in financial activities, the IOSCO is paying an increasing important role in surveillance on financial markets. If the IMF is going to be international supervisor for capital movements, it needs the IOSCO’s expertise and coordination.

If possible, combine IMF, IBS and even IOSCO. Let it become a supreme international financial supervisory body. This suggestion may be too bold as many central banks in industrialized countries are no longer responsible for financial market supervision and an independent official body is in charge of it. There will be difficulties for member countries to send representatives to this unified international supervisory body. However, a close working relationship of these three organizations should be established before 2020.

3. Health issues and WHO reform in 2020

Thanks to the continuous economic development of most countries in the world, living standard of peoples has been raising and the health conditions in most cases and of most of the people have been improving. But the disparities exist among nations and regions just as economic development. Problems in nutrition, housing, sanitation and in other aspects of hygiene can easily be seen in developing countries. Infectious diseases remained a threat to people’s life in many underdeveloped countries. AIDs spreads faster and kills more people in Africa and some Asian countries. National governments should allocate more financial and human resources in education and medication. However, as we mentioned in the first part, issues in health are closely linked with divergence of world wealth allocations. Developing countries need the help of international efforts, while this kind of efforts should be embodied in an international organization, that is World Health Organization (WHO).

WHO was established in 1948 and was a specialized agency of the UN. It is defined by its Constitution as the directing and coordinating authority on international health work. Its aim is "the attainment by all peoples of the highest possible level of health". The detail functions of WHO are set out in its article □. They are listed as following:

- to assist governments, upon request, in strengthening health services;
- to establish and maintain such administrative and technical services as may be required, including epidemiological and statistical services;
- to provide information, counsel, and assistance in the field of health;
- to stimulate the eradication of epidemic, endemic, and other diseases;
- to promote improved nutrition, housing, sanitation, working conditions, and other aspects of environmental hygiene;
- to promote cooperation among scientific and professional groups which contribute to the enhancement of health;
- to propose international conventions and agreements on health matters;
- to promote and conduct research in the field of health;
- to develop international standards for food, biological and pharmaceutical products;
- and, to assist in developing an informed public opinion among all peoples on matters of health.

From the full coverage of health matters on its operations, one could imagine that WHO have already contributed a lot for the improvement of health of human kind. But we could also notice that WHO does not have mandatory power of surveillance and only assist governments on request. As globalization brings greater risk of wider and faster spread of infectious diseases across border, there should be an international body to oversee the matter. WHO should be given this mandate of surveillance. It should not only provide a forum for professional expertise to discuss health issues, but also provides a forum for government official regularly to discuss health policy and make common efforts to eradicate fatal diseases. Proposed forum of this kind would be annual ministerial meeting of health, which deals one of crucial issues of health every year and draws plan and policy for inter-governmental cooperation.

As a specialized agency of the UN, WHO should be given more resources to deal with infectious disease and Aids problems. Member countries should contribute more funds for WHO to conduct research. As we mentioned earlier, pharmaceutical research in private companies is for the profit ends. Their products usually are too expensive for the developing countries owing to the monopoly that are protected by patents. Enhancing governmental research is one way. But more effective way is to help WHO to get more resources for research. Any of the achievements and results of WHO research would immediately be made public and serve for the greatest majority of people in the world. For this reason, WHO should work more closely with the UN Economic and Social Council (UN-ECOSOC) and coordinates all programs concerning international health issues. The UN-ECOSOC should help WHO to organize international conferences on important health issues.

WHO should also work more vigorously with member countries and Non-Governmental Organizations (NGOs) in seeking the solutions on Aids and other fatal diseases. Nowadays, NGOs are growing rapidly in many countries and they can play very important role in education and health enhancing. Some NGOs also have financial and human resources devoted to health promotion. If all these resources can be put together or coordinates with WHO's programme, we would have a better prospect in fighting Aids and other fatal diseases.

In its more than ten operational functions, WHO has a function to propose international conventions and agreements on health matters. But it seemed to have done a little in this area, especially on the matters of genetic engineering and the clone of human creatures. There is growing concern about the potential impacts of genetic products and genetic diseases on human beings. Fear of cloned human creature is even more serious. Some countries passed a law to

prohibit the clone of human creature. But we need an international convention on all these matters. WHO should take initiatives and work with all countries' health authorities to adopt similar legal actions. There should be an international agreement on genetic engineering and clone matters. WHO has the responsibility to make the proposal to the UN and its member countries.

4. Food security and the FAO

Although we are living in a world with increasing wealth and the living standard is continuously rising, poverty and hunger still exist in many developing countries. Secured provision of enough food for all people still remains a serious problem. According to the statistics provided by the Food and Agriculture Organization (FAO), there were more than 80 low-income countries are short of food, 31 of them were facing food crisis. Altogether there were more than 800 million people suffering from hunger and lack of nutrition, among them there were 200 million children under age of 5 years old. It was in this background that the FAO organized a World Summit Conference of Food Security in November 13-17 in Rome. The Summit Conference passed two documents, Rome Declaration for Food Security and the Action Programme of the World Food Summit Conference. Its aim was to reduce by half of 800 million who lack nutrition. Since then food security become a hot topic in the international society.

The FAO is the principal international organization active in pursuing food security. It was established in 1945 when 44 governments indicated their acceptance of the constitution. It is one of the specialize agency of the UN. At present the FAO has 175 members. Its purposes are defined as: "to promote the common welfare by furthering separate and collective action---for the purposes of raising levels of nutrition and standards of living of the peoples under their respective jurisdictions; securing improvements in the efficiency of the production and distribution of all food and agricultural products; bettering the condition of rural populations; and thus contributing toward an expanding world economy and ensuring humanity's freedom from hunger"

Although the FAO has conducted a lot of activities in pursuing its purpose, the world food security problem has not been improved since 1996 Summit Conference. The Declaration and the Plan for Action passed in the Conference have no any mandates in member countries. The aim set forth in the Conference and promises made during the Conference was more symbolic than practical. The developed and developing countries actually have had different standpoints. The developed countries hold that the most important thing for reducing hunger is the free trade of grain. They argued that with free trade of grain, the comparative advantage of developed countries in grain production would stimulate the export of grain, thus expands the production and supply of grain in the world market. Developing countries concerned more about the stable supply source of their imports and hoped the developed countries transferring more technology in grain production so as to produce more grain domestically. They criticized developed countries as only cared about their grain trade profit. So different attitudes hindered the common efforts and cooperation among countries. Therefore the FAO needs to continuously coordinate among different groups of member countries and seek compromises. It should launch some new programmes aiming at securing the supply sources for poor developing countries as the WTO negotiation further promote the free trade in agricultural products.

As food and agricultural issue will remain for a long time, the FAO will still be the important organization adjusting the relation in agriculture and food products in the future. Its relation with the UN and especially with World Food Programme (WFP) should be made simpler. WFP was established in 1961 as the food aid organization of the UN system. Its Executive director should

be jointly appointed by UN Secretary General and the FAO Director general. Its main task is to provide food aid to low income, food-deficit countries, to assist in the implementation of economic and social development projects and to meet relief needs of victims of natural and other disasters. Besides its food aid activities, many of its operations overlap with the FAO. We suggest that all issues concerning food and agriculture within the UN be governed by the FAO and WFP be made independent from ECOSOC and become a subordinated body under the FAO. We think this will enhance the efficiency of WFP and add credibility to the FAO.

5. Environmental protection and possible establishment of the World Environmental Organization (WEO)

As we are facing more and more issues of environmental deterioration: air and water pollution, global warming, desert expansion, energy and forest depletion, water shortage, species extinction and ozonosphere destruction, protection for environment become a crucial issue for every country. The prevailing of the concept of sustainable development reflects the consciousness of environmental protection by our human beings. Since early 1970s, the UN has launched several initiatives and programmes to arouse the attention of the world to the importance of environmental protections. In June 1972, the UN organized the Stockholm Conference on Human environment, in which the famous declaration on environment was announced. Following this conference, the United Nations Environmental Programme (UNEP) was established. The mission of the UNEP is to “provide leadership and encourage partnership in caring for the environment by inspiring, informing and enabling nations and people to improve their quality of life without compromising that of the future generations”. Through time, changing agenda has revitalized the UNEP. Now the following six aspects are the focuses of its operations:

- To analyze the state of the global environment and assess global and regional environmental trends, provide policy advice, early warning information on environmental threats and to catalyze and promote international cooperation and action, based on the best scientific and technical capacities available.
- To further the development of its international environmental law aiming at sustainable development, including the development of coherent interlinkages among existing international environmental conventions.
- To advance the implementation of agreed international norms and policies, to monitor and foster compliance with environmental principles and international agreements and stimulate cooperative action to respond to emerging environmental challenges.
- To strengthen its role in the coordination of environmental activities in the UN system in the field of the environment, as well as its role as an implementing agency of the Global Environmental Facility, based on its comparative advantage and scientific and technological expertise.
- To promote greater awareness and facilitate effective cooperation among all sectors of society and actors involved in the implementation of international environmental agenda, and to serve as an effective link between scientific community and policy makers at the national and international levels.
- To provide policy and advisory services in key areas of institution-building to governments and other relevant institutions.

We can see from above that UNEP has become a principal organ in environmental protection. However, its status is not legally insured and it lacks mandates to launch negotiations among its members.

In April 1987, the UN held the first Conference for Environment and Development, in which issued the report of Our Common Future. It was in this report that the concept of sustainable development was first formally raised and defined. Since then, people and governments in all countries have paid increasing attention to the issue of environment protection. In June 1992, another UN Conference for Environment and Development was held in Rio. This conference passed five documents concerning environmental protection and appealed to member states for implementation of the policy of sustainable development. In order to further implement the agenda set in Rio Conference, the Economic and Social Council of the UN (UN-ECOSOC) established the Commission on Sustainable Development (CSD) in 1993. Since then many efforts have been made within the UN system in promoting sustainable development.

At present, almost every country in the world has enacted relevant laws on environmental protection. In developed countries, Eco-agriculture and Eco-industry have been put to important position in economic development. A new industry, environmental protecting industry become a sun-rising industry. Strict regulations on pollution such as control of waste water, carbon dioxide and other wastes discards; control of pesticide and other poisonous elements. Developing countries also adopted many similar legal framework and measures in protecting their environment. Many countries prohibited the hunting of precious species and the felling of their forests. Some also passed laws on waste discards and pollution punishment.

China adopted the concept of sustainable development in early 1990s was put to the document of Agenda of 21st Century issued by the State Council. Many laws concerning environmental protection have been passed since then. The Bureau of environmental protection in the government at each level is the most fast growing government department during 1990s. Recently, large-scale forest rehabilitation in the west is underway. Green plantation projects can be seen in many cities. Many pollution-produced factories have been shut down and some of them were forced by law to change to less polluted method of protection or engaged in waste processing project. Environmental protection and sustainable development have never been so attached importance to by the people and the government. However, as we mentioned earlier, environmental issue is closely related to economic development level of a country. Usually a low income developing countries has more serious environmental pollution and has less ability to protect its environment. That is why China still has many environmental problems in spite of efforts made by government since early 1990s and we still need to work hard towards the better position.

But owing to the integration of global climate and interdependence of environmental impacts, deterioration of the environment in one part of the world would influence the other parts of the world. International efforts and cooperation is very important in this regard. The UN's efforts showed this importance. However the international cooperation in environmental issues is not promising. Some developed countries pay greater attention to their own environmental protection while overlook the problems in the developing countries. Some of them even destroy other countries and the global environment for their own economic interests. For example, remove the pollution producing factories and industry to developing countries. They protect their own natural resources while excessively consume developing countries resources. They do not want to reduce the carbon dioxide pouring volume by reducing the consumption of petrochemical energy. The recent U.S refusal of Kyoto Protocol is a typical example. Some of the developed countries are not willing to provide resources in help the developing countries. They do not want to transfer technology of environmental protection to developing countries and set forth many obstacles in technology transferring. Therefore, although sustainable development become an inevitable trend in the 21st century, but the core issues of fairness of generations, fairness of the use of resources

and fairness in cost sharing in environmental protection still remain as a question.

The United Nations has made many efforts to promote the international cooperation in environmental protection. Above mentioned conferences and programmes are such examples of these efforts. But these are far from enough. There is an increasing need for a more forceful and effective international mechanism and a specialized institution to p the task of the world environmental protection. The UNEP lacks mandatory power and resource. We suggest establishing a new organization, the World Environmental Organization (WEO), to take the charge of governance and coordination of environment protection issues among nations. The UNEP should be combined with WEO and CSD. The WEO should be give the mandates to initiate negotiations among member countries and draw international convention on environmental protection and sustainable development issues just as WTO does in trade area. It should also be an international provider of technology and financial help of environmental protection, so the UNEP can be responsible for this task under WEO. All environmental issues, including natural resource depletion, pollution, global warming should be discussed in the WEO and member countries may reach some consensus and take common measures to meet the challenges. In this way, CSD can work as a Standing Committee for the WEO and meets more frequently than annually or biannually. Next summit meeting of Group Eight, which will be held in Canada, may start the discussion of this proposal and the UN-ECOSOC may start the inquiry among its members. We believe that a more effective international mechanism will come out before 2020 as we are facing increasing threat of world environmental deterioration.

III. Political Cooperation vis-a- vis Economic Cooperation

Although we regard the global governance mainly an economic issue, we are aware that political element involves in every aspect we discussed above. Some growing challenges are more political than economic, which was defined as first category global issues in the first part in this paper. Actually, all solutions to the issues, especially to the issue of the first category, need political will of international cooperation. Some times, common interests for all parties are obvious, but international cooperation is difficult to realize owing to political, including cultural and religious obstacles. Political leaders of all countries bear the utmost responsibility to find the solution to all the issues and to improve our world. Effective global governance of all the global issues cannot be really achieved without a good international political cooperation among all countries.

We advocate political cooperation among nations, but we do not agree to establish an international organization to govern the political issue. Political issue can only be solved through international cooperation and negotiation among sovereign states. Mutual respect for the indignity of sovereignty is the base for political cooperation among nation states. It is not like some other economic issues, in which cooperation and action can be mobilized among different entities, including NGOs and enterprises. Political issues can only be solved among national governments

The issue of nuclear control is a pure matter of political cooperation that needs a far-reaching sight of political leaders of nuclear countries. The UN could make some contributions on this matter but no single international organization can “govern” the issue.

As for the issue of transnational crime, there is already an international cooperation among public security agencies of nations. This kind of cooperation sometimes is discouraged by political reasons. Although the UN should deal with this issue and draw some rules and a convention governing the anti-crime efforts, the mechanism will be different from that of other economic

issues. It will be very difficult to establish a special international body to “govern” it. So we think it is also a political matter.

We think that the UN is a ready organization to embody increasing international political cooperation. Any disrespectful action towards the UN or any intention to make replacement by any other organization and international mechanism is in vain. History of more than half century after the Second World War has proved that in most cases, the UN system is useful and effective. This system should be strengthened and be made full use of, but not weakened and sabotaged. Clubs of big countries or industrial countries, such as Group Eight and OECD should work as supplement to the UN, but not substitute of the functions of the UN. Our vision on the UN in 2020 is optimistic. The UN will still be playing an important role in international relations, if not more.

As we mentioned earlier, economic and social issues are increasingly related with political factors nowadays, there should be an international body to coordinate these aspects. Vested with the function of promoting the economic and social progress and development under General Assembly, the UN-ECOSOC is a ready organization. We suggest that the UN-ECOSOC establish a sub-committee of global challenges. This committee should discuss all crucial issues facing us in the process of globalization and hold a conference every year to draw attention from member countries' government and make suggestions to UN-ECOSOC and to UN Assembly. It should also have mandate power to present the issue to IMF, FAO, WTO and to the forthcoming WEO and work together with them to find the solution.

IV. Conclusions

We are aware that Globalization brought numerous challenges in today's world, most of them are worldwide scaled and impossible to be solved by individual countries. We believe that there is a need of international cooperation and international mechanism to deal with them. Big players in the world society, no matter rich or poor should have an urgent missionary sense to take cooperative measures to meet the challenge.

All global issues and challenges are deeply rooted from increasing divergence between rich and poor nations and between social stratum. Therefore, we consider that most of the global challenges should be dealt with the international efforts to the poverty relief. Rich countries that benefit the most from globalization need to take initiative and contribute more resources to deal with all these challenges.

If consensus can be reached in above points and rich countries are willing to provide more resources for strengthening the international public goods, the international mechanism and organizations to deal with all these challenges would possibly be improved by 2020. In a sense, global governance is a kind of international public goods. International taxpayer should pay for the public goods according to its income.

We think that there is only a few area where needs to establish a totally new international organizations in dealing with the global challenges. We have already had the UN, its functional organs, the IMF, the World Bank, the WTO, the WHO, FAO and several other specialized agencies of the UN. Almost all-international efforts in governing the above mentioned issues can be embodied in current already established organizations. Our vision of 2020 is that current organizations should be strengthened and given more mandates to oversee the issues respectively.

The IMF should be strengthened not only by enlarging its quotas, but rather be given more supervisory functions of international short-term capital movements. Its main task should be shifted to supervising international financial markets and giving the warning when it thinks necessary. The reason is that when the majority members realized convertibility in current account and free capital movement become an inevitable trend, it is no longer important for the IMF to pursue the main aim of promoting free and multilateral system of payments and eliminating of foreign exchange restrictions. It should work together with the World Bank in financial crisis resolution. As IMF is mainly participated by member countries' central banks, it should cooperate with IBS and act as an International Regulator of Hedge Funds and the international lender of last resort. It should also work closely with the IOSCO in international financial market supervision. IMF may create a liaison section in charge of coordination with all other international financial organizations. If possible, combine the IMF, the IBS and even the IOSCO. Let it become a supreme international financial supervisory body.

The WHO should be given more resources to deal with infectious disease's and AIDs problems. It should work more closely with UN-ECOSOC and coordinate all programs concerning international health issues. It should work more vigorously with member countries and NGOs in seeking solution on AIDs and other fatal diseases.

FAO is active in pursuing food security. It will still be a main organization in agriculture and food products in the future. Its relation with the UN and especially with the WFP should be made simpler. We suggest that all issues concerning food and agriculture within the UN be governed by FAO and the WFP be made independent from ECOSOC and become a subordinated body under FAO.

Establish a new organization, the World Environmental Organization (WEO), to take the charge of governance and coordination of environment protection issues among nations. The UNEP should be combined with the WEO as the former lacks mandatory power. The WEO can initiate negotiations among member countries and draw international convention on environmental protection and sustainable development issues just as the WTO does in trade area. It should also be an international provider of technology and financial help of environmental protection, so the UNEP can be responsible for this task under the WEO. All environmental issues, including natural resource depletion, pollution, global warming should be discussed and overseen in the WEO.

The economic and social issues are increasingly related with political factors nowadays. Effective global governance of all the global issues cannot be really achieved without a good international political cooperation among all countries. But political cooperation can only be achieved among national governments under the base of mutual respect for the indignity of sovereignty.

Politics related issues such as nuclear control and transnational crime, should be solved through governmental negotiation and cooperation. They are difficult to be "govern" by an international organization.

UN-ECOSOC is a ready organization to deal with both economic and political related issues. We suggest that the UN-ECOSOC establish a sub-committee of global challenges and play a more active role.

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