

Global Politics –

Political and Economic Global Governance

Politics Edexcel and AQA – revision notes – based on Hodder Education revision guides

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NGOs = **non-governmental organisations**; not-for-profit organisations based on lobbying or charity groups, that exist and operate outside governmental institutions. They can be both at the national and international level.

SAP = **structural-adjustment-plan**; plans that were used for economic development aimed to rebuild the economy as a precondition for aid or debt relief. They were implemented by the World Bank and IMF and were based on neo-liberal ideas towards economic development.

UN = **the United Nations**; the world's largest IGO with headquarters in New York, with six key institutions (one currently redundant) and 193 member states.

UNSC = **Security Council**; one of the prominent bodies of the UN, responsible for maintaining international peace and security; it has 15 members, 5 of which are permanent = US, UK, France, Russia and China, with the right of veto; the other 10 member states rotate.

NATO = **North Atlantic Treaty Organisation**; was established in 1949 during the Cold War as military agreement between Western Europe and the USA, designed to stop the spread of communism across Europe. Since the end of the Cold War and the collapse of the Soviet Union, the role of NATO changed and adapted to changes in the international system.

IMF = **International Monetary Fund**; one of the Bretton Woods organisations; responsible for regulating international monetary flow with focus on global security.

WB = **World Bank**; also, one of the Bretton Woods organisations; emphasis on development compared with the IMF and the reduction of global poverty.

WTO = **World Trade Organisation**; another of Bretton Woods organisations; supervision of international trade rules and agreements aiming to achieve free trade internationally by removing all possible barriers.

G7(8)/20 = this is a group of 7, 8, or 20 nations. The G8 was the original group and was originally an IGO made up of the 8 most powerful and economically developed nations internationally. It then became G7 when Russia was suspended following the annexation of Crimea and its conflict with Ukraine. Subsequently, the G20 is the group of 20 significant states to include developing nations and the EU as another entity.

North/South divide = an imagined line drawn between the so-called global North and the global South hemisphere. It is based on the Brandt line, with poorest least-developed countries in the South and the richest and most developed countries in the North. Some critics argue that the North exploits the South.

Dependency theory = based on the idea that there are 'core' countries and 'periphery' countries. The core states are historically wealthy and powerful and colonised peripheral states; the latter remain dependent on the core countries even after decolonisation.

International political bodies of global governance

Political global governance refers to IGOs, SGOs, treaties and meetings that act in the international arena is aimed to address, facilitate and resolve global political concerns. The key body for political governance is the UN.

The UN

Incorporates 6 bodies, 1 of which is currently redundant and inactive, the Trusteeship Council, which was established to oversee the process of decolonialisation.

The UN is the world's largest IGO, founded in 1945 with 193 member states, almost all the world states are members. HQ is in New York.

The other 5 bodies are:

1. UNSC

The most powerful body within the UN, responsible for international peace and security and it can pass binding resolutions. 15 members, 5 of which are permanent with a veto right, and the other 10 rotate. Non-permanent member states are elected every 2 years, in 2 separate rounds, based on regional quotas. The president of the security council rotates monthly between its 15 members.

2. The General Assembly

All member states convene in the General Assembly and vote on major current issues, one vote for each state, and hold regular debates and meetings.

3. The Secretariat

Led by the UN Secretary General and serves as the bureaucratic body of the UN.

4. ECOSOC

The Economic and Social Council: responsible for economic security and human rights, with 54 member states, elected by the General Assembly for a 3-year terms.

5. ICJ

International Court of Justice: arbitrary of disputes between states usually over territorial issues. This is not the same as the ICC International Criminal Court that is not part of the UN.

NATO

- Based in Brussels, with a civilian Secretary General who acts as the chief executive and main spokesperson for the organisation.
- As of 2024, it has 32 member states.
- It was established during the Cold War as a military security alliance aimed to protect the spread of communism.
- One of the main principles was Article 5 which means that an attack on any member state is equivalent to an attack on all member states of the alliance; thereby can initiate a collectively organised military response by all the states.
- Following the end of the Cold War some critics argue that the organisation is obsolete and its existence no longer serves its objectives, while others argue that it has adapted to the changing reality in the international system.
- **Strengths**
 - NATO has adapted new roles to deepen its focus on humanitarian objectives, as seen in the former Yugoslavia.
 - Expanded its role beyond what is covered by its territorial markings, such as interventions in Libya and Somalia.
 - Russia still considers NATO as a threat, thus, 'confirming' NATO's justified existence.
- **Weaknesses**
 - The alliance has lost its traditional role.
 - It has contravened international law acting against the UNSC (Kosovo) and some US presidents (Trump) have questioned the future role of America in the organisation.

International bodies of economic global governance

The IMF

- The IMF is an IGO that focuses on economic global governance.
- It was set up under the Bretton Woods Agreement, currently with 191 members (2024).

- It is managed by a Managing Director and funded primarily by its member states in proportion to their wealth.
- Voting power is in proportion to the financial contribution of the states; can be considered undemocratic because of the unequal vote.
- The IMF regulates international money flows with particular attention to economic security.
- It plays a key role in addressing and responding to financial crises via its **SAPs** **Structural Adjustment Programmes**.
- **Strengths**
 - IMF's measures can arrest the spill-over effect of a financial crisis affecting other states' economies.
 - Encourages economic reform to aid growth.
 - Predicated on liberal ideas that pooling resources is beneficial for individual members and cooperation fosters international stability and security.
- **Weaknesses**
 - Failed to predict the global financial crisis.
 - Structurally, it is dominated by Western powers, especially America, with a particular domination due to its greater financial contribution to the organisation.
 - SAPs were criticised for delivering programmes for countries that are not yet ready to be opened for the global market.
 - While they can boost economic growth they may lead to a greater divide between poor and rich economies and for some issues pertaining to dependency.

The World Bank

- An IGO for economic global governance, established also as part of the Bretton Woods Agreement.
- The World Bank is unique in its focus on development, and it is linked with the **Millennium Development Goals** **MDGs** and **Sustainable Development Goals** **SDGs**.
- Both the IMF and the World Bank offer loans but with different objectives: while the WB provides grants and focuses on global poverty, IMF offers loans and advice.
- **Strengths**
 - The WB offers direct grants to the poorest states rather than loans.
 - Alleviates the debt crisis via its grants.
 - Reduces global poverty.

- **Weaknesses**

- Considered to be dominated by Western states especially the USA.
- This American domination is not reflecting current shifts of power in the international arena, with countries such as Brazil, India and China holding up less than a third of the voting power of the USA.
- Unequal financial contribution is matched by unequal vote; undemocratic.
- The WB should focus on the poorest and conflict-ridden countries that attract less private investment.

While both the WB and IMF are lauded for being effective because they improved trade standards and regulations, helped address and respond to global poverty and thereby promoted stability and cooperation, they are also the target of criticism:

1. **SAPs** = an approach that is criticised for being inflexible and failed to account for differences between states and circumstances, partly because of the Western orientation dominating the approach. The result is increased dependency and ongoing resentment.
2. **Global economic crisis** = that the IMF is responsible for financial regulation and yet has failed to predict the global financial crisis in 2008 is used to undermine the reputation and effectiveness of the organisation. The WB is also implicated in this damage.

World Trade Organisation WTO

- It is the third Bretton Woods organisation; originally was established as **GATT** **General Agreement for Trade and Tariffs**.
- Set up to agree trade regulations between states aiming to free trade by reducing potential barriers.
- Currently (2024) 164 members, less than in the IMF or WB.
- It operates trade 'rounds', and all member states have to agree on successful trade 'rounds' that are added to the organisation's rules.
- **Weaknesses**
 - The Doha Round was stalling and unable to secure consensus, and the last agreement reached was in 2001. Consequently, some criticise the effectiveness or lack of it, of the organisation.
 - Other criticism focuses on its domination by Western powers that benefit from the trade deals more than others.
 - Decision-making is biased in favour of those with the biggest representation, in Geneva.
 - Sustainable development is subordinate to the dominance of economic development.

- **Strengths**
 - Fostered free trade.
 - Transparent and competitive.
 - Takes environmental considerations into account.
 - With benefits for **LEDCs**, **least-developed countries**.

The G7

- US, Canada, UK, France, Germany, Italy, Japan = are the wealthy group 7 sharing common interests and objectives.
- Russia was formerly included but was suspended following the annexation of Crimea.
- It is an informal intergovernmental forum.
- Meeting annually to discuss global economic developments and potential economic risks.
- **Strengths**
Providing a forum to frame discussions, flexible approach, with little impact on state sovereignty.
- **Weaknesses**
Little accountability, membership is unrepresentative and it is argued to be ineffective as it doesn't provide or enforce active measures to solve problems.

G20

Was set up to widen the membership of the G7/8, with similar aims.

Following the economic crisis in 2008 it plays an increasingly significant role and is considered to be more effective. Consequently, it expanded its membership with a broader range of interests.

However, the broad range of concerns is a breeding ground for disputes.

Anti-capitalist protests are also more targeted toward the G20.

Poverty and economic governance

The debt crisis in 1980s highlighted the issue of global poverty.

The result of not addressing global poverty effectively is eroding efforts and resources that could have been directed at other global challenges such as nuclear proliferation and environmental concerns.

Many developing countries are critical against restrictions that are imposed on them on top of their history that prevented their free development.

Global poverty, operationalisation

Absolute poverty includes anyone living below a global minimum wage (2022 set on \$2.15) per person per day, as set up by the World Bank and called the poverty line.

Relative poverty is a variable that is operationalised differently from state to state because it measures how poor a person is relative to others.

Other measures involve the wealth or lack of wealth of nation-states, operationalised by GDP per capita, the Gini coefficient, and the Human Development Index.

North/South divide

The Brandt Line 1980; an idea of an imaginary line being drawn between the rich and poor countries, delineating the Northern rich versus South poor hemispheres.

This line is contested given the changing conditions of some countries, but it has shaped global governance strategies.

The Bretton Woods organisations were criticised for acting in 'novel' imperial tactics predicated on the assumption that the West knows best.

World System Theory

- Based on a Marxist structural ideology suggesting that global inequality is rooted in colonial history.
- There are:
 - Core countries = powerful industrial countries who were colonisers.
 - Semi-periphery countries = somewhere in-between the core and the peripheral countries.
 - Periphery countries = those who were colonised and have been left under-developed and dependent on the core countries.

According to this theory, global capitalism is a modern form of the original dependencies and exploitation of some states by others, thereby perpetuating the original inequality and injustice of colonialism.

Dependency theory

Argues that global inequalities are embedded in historical colonialism.

Trading dependencies and political interferences are integral remnants of colonialism; in other words, colonialism shapeshifted its manifestations but not its essence.

Rich core countries (former colonisers) deliberately kept peripheral countries dependent and unable to break free; a form of neo-colonialism lacking in territorial claims over peripheral countries but continuing to exert control over them.

Orthodox and alternative theories of poverty and economic governance

Orthodox theory = focusing on economic measures and economic development associated with neo-liberalism, focusing on poverty lines and other similar measures in discussing and addressing global poverty.

Alternative theory = takes into account other factors associated with global poverty such as social and cultural factors like access to education and healthcare.

Thus, its focus is broader by throwing the net wider and thereby shifting into **'sustainable development'**.

It relies on measures such as the **Human Development Index HDI** = considers life expectancy, GDP per capita and literacy rates; the index is perceived to provide an indication of healthcare and education factors in addition to poverty in its orthodox sense. The **Gender Development Index GDI** refers to adding measures of gender inequality to the perspective.

Classic or classical development theory/liberalism = traditional liberal ideas of free trade and the **'invisible hand'** as suggested by **Adam Smith**, regulating a 'laissez-faire' economy.

Neo-classical/neo-classical development theory/neo-liberalism = a combination of New Right ideas with classical liberal ideas as embedded in the **Washington Consensus idea**; associated with Ronald Reagan and Margaret Thatcher: to incorporate free trades with a degree of regulation and state intervention, privatisation, low government spending, tax reform and de-regulation of markets.

Structural/structural development theories, including world systems theory and dependence theory = these approaches have a Marxist leaning that is predicated on contradictory vectors between different actors: one powerful and the other exploited and weak' core versus peripheral countries, historical imperialism and its modern manifestations.

Links

The UNSC can be seen as relevant not only in political matters because of the linkage between political and economic globalisation:

- The **permanent 5 members**, **P5**, hold disproportional power in the council.
- Also, the permanent members are not representing currently key powers such as Germany, Japan and India.
- The veto = is a key in passing or not passing certain decisions, paralysing some decisions leading to states acting independently such as the US-led war on Iraq in 2003.

Is global governance effective?

Yes

- Globalisation requires a formal platform to address and respond to global issues and challenges: economy, poverty, humanitarian intervention, environment, etc.
- IGOs were developed to provide the platform for such global operations to take place.
- Tangible and binding legal resolutions were achieved, and to a certain degree of effectiveness.
- The rise of global governance is accompanied by increased global stability.
- See Fukuyama's end of history.
- Some disputes are 'bigger' than individual nation-states and cannot be resolved at the state levels, thus are rightly dealt with at an international level.

No

- Realists in particular would argue that no international actor can or should undermine the sovereignty of the nation-state, its power and functions.
- International organisations can stall and fail to agree, resulting in stalemate that paralyses any potential resolution or action. In particular the veto of the P5, or the IMF failure to predict the financial crisis.
- It is also the sovereignty of the nation-states that enables those that are powerful to still disregard international laws, or weaker states to ignore the international law because their sanctions are not imposed by the relevant organisations. Thus, laws and rules that lack 'teeth'.
- Global governance has not led to greater stability and harmony, rather, instability changed its nature from between states to within states and greater regional conflicts.