

# International Politics and Cold War

**Bruce Gallagher**





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AND COLD WAR**



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# Contents

Chapter 1	Introduction .....	1
Chapter 2	International Security, Military Power and Terrorism .....	58
Chapter 3	The Role of the International Organisms in the Globalization Process.....	98
Chapter 4	Cold War and International Politics.....	144





## **Chapter 1**

# **Introduction**

## **The Evolution of World Politics**

World politics names both the discipline that studies the political and economical patterns of the world and the field that is being studied. At the centre of that field are the different processes of political globalization in relation to questions of social power.

The discipline studies the relationships between cities, nation-states, shell-states, multinational corporations, non-governmental organizations and international organizations. Current areas of discussion include national and ethnic conflict regulation, democracy and the politics of national self-determination, globalization and its relationship to democracy, conflict and peace studies, comparative politics, political economy, and the international political economy of the environment. One important area of world politics is contestation in the world political sphere over legitimacy.

It can be argued that world politics should be distinguished from the field of international politics, which seeks to understand political relations between nation-states, and thus has a narrower scope. Similarly, international relations, which seeks to understand general economic and political relations between nation-states, is a narrower field than world politics.

## **Defining the field**

Beginning in the late nineteenth century, several groups extended the definition of the political community beyond nation-states to include much, if not all, of humanity. These "internationalists" include Marxists, human rights advocates, environmentalists, peace activists, feminists, and dalits. This was the general direction of thinking on world politics, though the term was not used as such.

Today, the practices of world politics are defined by values: norms of human rights, ideas of human development, and beliefs such as Internationalism or cosmopolitanism about how we should relate to each. Over the last couple of decades cosmopolitanism has become one of the key contested ideologies of world politics:

*Cosmopolitanism can be defined as a world politics that, firstly, projects a sociality of common political engagement among all human beings across the globe, and, secondly, suggests that this sociality should be either ethically or organizationally privileged over other forms of sociality.*

## **Debates**

*The intensification of globalization led some writers to suggest that states were no longer relevant to world politics. This view has been subject to debate:*

On the other hand, other commentators have been arguing that states have remained essential to world politics. They have facilitated globalizing processes and projects; not been eclipsed by them. They have been rejuvenated because, among other reasons, they are still the primary providers of (military) security in the world arena; they are still the paramount loci for articulating the voices of (procedurally democratic) national communities, and for ordering their interactions with similar polities; and finally, they are indispensable to relations of (unequal) economic exchange insofar as they legitimize and enforce the world legal frameworks that enable globalization in the first place.

## **Global administrative law**

Global administrative law is an emerging field that is based upon a dual insight: that much of what is usually termed “global governance” can be accurately characterized as administrative action; and that increasingly such action is itself being regulated by administrative law-type principles, rules and mechanisms – in particular those relating to participation, transparency, accountability and review. GAL, then, refers to the structures, procedures and normative standards for regulatory decision-making including transparency, participation, and review, and the rule-governed mechanisms for implementing these standards, that are applicable to formal intergovernmental regulatory bodies; to informal intergovernmental regulatory networks; to regulatory decisions of national governments where these are

part of or constrained by an international intergovernmental regime; and to hybrid public-private or private transnational bodies. The focus of this field is not the specific content of substantive rules, but rather the operation of existing or possible principles, procedural rules and reviewing and other mechanisms relating to accountability, transparency, participation, and assurance of legality in global governance.

Today almost all human activity is subject to some form of global regulation. Goods and activities that are beyond the effective control of any one State are regulated at the global level. Global regulatory regimes cover a vast array of different subject-areas, including forest preservation, the control of fishing, water regulation, environmental protection, arms control, food safety and standardization, financial and accounting standards, internet governance, pharmaceuticals regulation, intellectual property protection, refugee protection, coffee and cocoa standards, labour standards, antitrust regulation, to name but a very few. This increase in the number and scope of regulatory regimes has been matched by the huge growth of international organizations: nowadays over 2,000 intergovernmental organizations (IGO) and around 40,000 Non-governmental organizations (NGO) are operating worldwide.

There are, of course, great differences among the various different types of regulatory regimes. Some merely provide a framework for State action, whereas others establish guidelines addressed to domestic administrative agencies, and others still impact directly upon national civil society actors. Some

regulatory regimes create their own implementation mechanisms, while others rely on national or regional authorities for this task. To settle disputes, some regulatory regimes have established judicial (or quasi-judicial) bodies, or refer to those of different regimes; while others resort to “softer” forms, such as negotiation. Within this framework, the traditional mechanisms based on State consent as expressed through treaties or custom are simply no longer capable of accounting for all global activities.

A new regulatory space is emerging, distinct from that of inter-State relations, transcending the sphere of influence of both international law and domestic administrative law: this can be defined as the global administrative space. IOs have become much more than instruments of the governments of their Member States; rather, they set their own norms and regulate their field of activity; they generate and follow their own, particular legal proceedings; and they can grant participatory rights to subjects, both public and private, affected by their activities. Ultimately, they have emerged as genuine global public administrations. In other words, the structures, procedures and normative standards for regulatory decision-making applicable to global institutions (including transparency, participation, and review), and the rule-governed mechanisms for implementing these standards are coming to form a specific field of legal theory and practice: that of global administrative law. The main focus of this emerging field is not the particular content of substantive rules generated by global regulatory institutions, but rather the actual or potential application of principles, procedural rules and

reviewing and other mechanisms relating to accountability, transparency, participation, and the rule of law in global governance.

## **Asia Council**

The Asia Council is a pan-Asian organization constituted in 2016 to serve as a continent wide forum to address Asia's key challenges and foster cooperation among countries of Asia. The council has its headquarters in Tokyo and regional directorates in Doha, Chengdu and Bangkok.

### **Organization**

The Asia Council operates through the council headquarters in Tokyo, three regional directorates and country offices.

### **Administrative Divisions**

The Asia Council is organized into three administrative divisions. The East Asia division has its regional directorate in Tokyo, the South Asia & South East Asia division has its regional directorate in Bangkok and the West Asia & Central Asia division has its regional directorate in Doha.

### **Countries**

The Asia Council covers 48 countries and 6 dependent territories.

## **Forums**

The Asia Council has seven forums. Each forum is mandated to deliberate on a defined area relating Asia. The forum is attended by decision makers and experts.

- Forum on Biodiversity
- Forum for Asian Economic Cooperation
- Forum on Energy Security
- Forum on Climate Change
- Forum for Inter-cultural Dialogue
- Forum on Counter-terror Strategies

## **Fellowships**

The Asia Council fellowship provides financial grant to students from Asian countries to study for a graduate degree in world's top universities.

### **Global Leaders Fellowship**

The Asia Council Global Leaders Fellowship is an international graduate fellowship scheme which supports students with exceptional leadership qualities from 48 countries and 6 dependent territories of Asia to undertake graduate studies at some of world's top universities in United States and United Kingdom.

## **Asia Fellowship**

The Asia Fellowship is an international graduate fellowship scheme which supports students with exceptional leadership qualities from 48 countries and 6 dependent territories of Asia to undertake graduate studies at Asia's top universities.

## **Einstein Fellowship**

The Asia Council Einstein Fellowship is an international fellowship scheme which supports students with exceptional leadership qualities from 48 countries and 6 dependent territories of Asia to undertake study for a degree at Tokyo Institute of Technology, Nanyang Technological University, KAIST, Hong Kong University of Science and Technology, and Tsinghua University.

## **Reports and Publications**

The council's research and publishing division produces several reports on Asia including the Asia Security Report and Asia Statistical Report.

## **Asian Review**

The Asian Review is a journal published by the Asia Council. It covers political, economic and strategic review of the continent.



## **Events**

**Asia Roundtable:** The Asia Roundtable is an international conference held by the Asia Council outside Asia. The meeting discusses in detail a single issue that is geopolitically significant for the Asian region. The conference is attended by regional leaders and policy experts.

**Asia Security Dialogue:** The Asia Security Dialogue is a bi-annual meeting held by the Asia Council on most pressing security issues relating Asia.

## **Democratic globalization**

Democratic globalisation is a social movement towards an institutional system of global democracy. This would, in their view, bypass nation-states, corporate oligopolies, ideological NGOs, cults and mafias. One of its most prolific proponents is the British political thinker David Held. In the last decade he published a dozen books regarding the spread of democracy from territorially defined nation states to a system of global governance that encapsulates the entire world. For some, democratic mundialisation is a variant of democratic globalisation stressing the need for the direct election of world leaders and members of global institutions by citizens worldwide; for others, it is just another name for democratic globalisation.

These proponents state that democratic globalisation's purpose is to:

Expand globalisation and make people closer and more united. This expansion should differ from economic globalization and "make people closer, more united and protected"; because of a variety of opinions and proposals it is still unclear what this would mean in practice and how it could be realized.

Have it reach all fields of activity and knowledge, including governmental and economic, since the economic one is crucial to develop the well-being of world citizens; and

Give world citizens democratic access and a say in those global activities. For example, presidential voting for United Nations Secretary-General by citizens and direct election of members of a United Nations Parliamentary Assembly.

Supporters of the democratic globalization movement draw a distinction between their movement and the one most popularly known as the 'anti-globalization' movement, claiming that their movement avoids ideological agenda about economics and social matters. Democratic globalization supporters state that the choice of political orientations should be left to the world citizens, via their participation in world democratic institutions. Some proponents in the "anti-globalization movement" do not necessarily disagree with this position. For example, George Monbiot, normally associated with the anti-globalization movement (who prefers the term Global Justice Movement) in his work *Age of Consent* has proposed similar democratic reforms of most major global institutions, suggesting direct democratic elections of such bodies, and suggests a form of "world

government." Democratic globalization supports the extension of political democratization to economic and financial globalization. It is based upon an idea that free international transactions benefit the global society as a whole. They believe in financially open economies, where the government and central bank must be transparent in order to retain the confidence of the markets, since transparency spells doom for autocratic regimes. They promote democracy that makes leaders more accountable to the citizenry through the removal of restrictions on such transactions.

## **Social movements**

The democratic globalization movement started to get public attention when New York Times reported its demonstration to contest a World Trade Organization (WTO) in Seattle, Washington, November 1999. This gathering was to criticize unfair trade and undemocratic globalization of the WTO, World Bank, World Economic Forum (WEF), the International Monetary Fund. Its primary tactics were public rallies, street theater and civil disobedience.

Democratic globalization, proponents claim, would be reached by creating democratic global institutions and changing international organizations (which are currently intergovernmental institutions controlled by the nation-states), into global ones controlled by world citizens. The movement suggests to do it gradually by building a limited number of democratic global institutions in charge of a few crucial fields of

common interest. Its long-term goal is that these institutions federate later into a full-fledged democratic world government.

## **Global democracy**

Thus, it supports the International Campaign for the Establishment of a United Nations Parliamentary Assembly, that would allow for participation of member nations' legislators and, eventually, direct election of United Nations (UN) parliament members by citizens worldwide.

## **Difference to anti-globalization**

Some supporters of the democratic globalization movement draw a distinction between their movement and the one most popularly known as the 'anti-globalization' movement, claiming that their movement avoids ideological agenda about economics and social matters although, in practice, it is often difficult to distinguish between the two camps. Democratic globalization supporters state that the choice of political orientations should be left to the world citizens, via their participation in world democratic institutions and direct vote for world presidents.

Some supporters of the "anti-globalization movement" do not necessarily disagree with this position. For example, George Monbiot, normally associated with the anti-globalization movement (who prefers the term Global Justice Movement) in his work *Age of Consent* has proposed similar democratic reforms of most major global institutions, suggesting direct democratic

elections of such bodies by citizens, and suggests a form of "federal world government".

## **Procedure**

Democratic globalization, proponents claim, would be reached by creating democratic global institutions and changing international organizations (which are currently intergovernmental institutions controlled by the nation-states), into global ones controlled by voting by the citizens. The movement suggests to do it gradually by building a limited number of democratic global institutions in charge of a few crucial fields of common interest. Its long-term goal is that these institutions federate later into a full-fledged democratic world government.

They propose the creation of world services for citizens, like world civil protection and prevention (from natural hazards) services.

## **Proponents**

The concept of democratic globalization has supporters from all fields. Many of the campaigns and initiatives for global democracy, such as the UNPA campaign, list quotes by and names of their supporters on their websites.

## **Academics**

Some of the most prolific proponents are the British political thinker David Held and the Italian political theorist Daniele Archibugi. In the last decade they published several books regarding the spread of democracy from territorially defined nation states to a system of global governance that encapsulates the entire planet. Richard Falk has developed the idea from an international law perspective, Ulrich Beck from a sociological approach and Jürgen Habermas has elaborate the normative principles.

## **Politicians**

In 2003 Bob Brown, the leader of the Australian Green Party, has tabled a move for global democracy in the Australian Senate: "I move: That the Senate supports global democracy based on the principle of 'one person, one vote, one value'; and supports the vision of a global parliament which empowers all the world's people equally to decide on matters of international significance."

The current President of Bolivia Evo Morales and the Bolivian UN Ambassador Pablo Solón Romero have demanded a democratisation of the UN on many occasions. For example, Evo Morales at the United Nations, May 7, 2010: "The response to global warming is global democracy for life and for the Mother Earth.. ... we have two paths: to save capitalism, or to save life and Mother Earth." Graham Watson (Member of the European Parliament and former leader of the Alliance of Liberals and

Democrats for Europe) and Jo Leinen (Member of the European Parliament) are strong supporter of global democracy. They were among those presenting the “Brussels Declaration on Global Democracy” on February 23, 2010, at an event inside the European Parliament. The appeals of the campaign for a United Nations Parliamentary Assembly has already been endorsed by more than 700 parliamentarians from more than 90 countries.

### **List of prominent figures**

Garry Davis (Peace activist who created the first "World Passport)

Albert Einstein ("The moral authority of the UN would be considerable enhanced if the delegates were elected directly by the people.") George Monbiot ("A world parliament allows the poor to speak for themselves") Desmond Tutu ("We must strive for a global democracy, in which not only the rich and the powerful have a say, but which treats everyone, everywhere with dignity and respect.") Peter Ustinov (President of the World Federalist Movement from 1991 to 2004)

Global apartheid is a term used to mean minority rule in international decision-making. The term comes from apartheid, the system of governmental that ruled South Africa until 27 April 1994 when people of all races were able to vote as equals for the first time.

The concept of global apartheid has been developed by many researchers, including Titus Alexander, Bruno Amoroso, Patrick Bond, Gernot Kohler, Arjun Makhijani, Ali Mazuri, Vandana

Shiva, Anthony Richmond, Joseph Nevins, Muhammed Asadi, Gustav Fridolin, and many others.

## **Origin and use**

The first use of the term may have been by Gernot Koehler in a 1978 Working Paper for the World Order Models Project. In 1995 Koehler develop this in *The Three Meanings of Global Apartheid: Empirical, Normative, Existential*.

Its best known use was by Thabo Mbeki, then-President of South Africa, in a 2002 speech, drawing comparisons of the status of the world's people, economy, and access to natural resources to the apartheid era. Mbeki got the term from Titus Alexander, initiator of Charter 99, a campaign for global democracy, who was also present at the UN Millennium Summit and gave him a copy of *Unravelling Global Apartheid*.

## **Concept**

Minority rule in global governance is based on national sovereignty rather than racial identity, but in many other respects the history and structures of apartheid South Africa can be seen as a microcosm of the world. Following the Great Depression in the 1930s and the Second World War, the United States and United Kingdom used their political power to create systems of economic management and protection to mitigate the worst effects of free trade and neutralise the competing appeals of communism and national socialism. In South Africa *civilized*



*labour* policies restricted public employment to whites, reserved skilled jobs for whites and controlled the movement of non-whites through a system of pass laws. In the West, escalating tariff barriers reserved manufacturing work for Europeans and Americans while immigration laws controlled the movement of immigrants seeking work.

At a political level, the West still dominates global decision-making through minority control of the central banking system (Bank of International Settlements), IMF, World Bank, Security Council and other institutions of global governance. The G8 represent less than 15% of world population, yet have over 60% of its income. 80% of the permanent members of the UN Security Council represent white Western states, 60% from Europe. The West has veto power in the World Bank, IMF and WTO and regulates global monetary policy through the Bank of International Settlements (BIS). By tradition, the head of the World Bank is always a US citizen, nominated by the US President, and the IMF is a European. Although the rest of the world now has a majority in many international institutions, it does not have the political power to reject decisions by the Western minority.

In *The Clash of Civilizations and the Remaking of World Order*, Samuel P. Huntington describes how "the United States together with Britain and France make the crucial decisions on political and security issues; the United States together with Germany and Japan make the crucial decisions on economic issues."

Huntington quoted Jeffrey R Bennett to claim that Western nations:

- own and operate the international banking system
- control all hard currencies
- are the world's principle customer
- provide the majority of the world's finished goods
- dominate international capital markets
- exert considerable moral leadership within many societies
- are capable of massive military intervention
- control the sea lanes

Huntington presents a 'framework, a paradigm, for viewing global politics' to protect "Western civilization". He argues that other civilizations threaten the West through immigration, cultural differences, growing economic strength and potential military power. 'If North America and Europe renew their moral life, build on their cultural commonality, and develop close forms of economic and political integration to supplement their security collaboration in NATO, they could generate a third Euroamerican phase of Western affluence and political influence. Meaningful political integration would in some measure counter the relative decline in the West's share of the world's people, economic product, and military capabilities and revive the power of the West in the eyes of the leaders of other civilizations.' However, this 'depends overwhelmingly on whether the United States reaffirms its identity as a Western nation and defines its global role as the leader of Western civilization.'

Alexander identifies numerous *pillars of global apartheid* including:

- veto power by the Western minority in the UN Security Council
- voting powers in the IMF and World Bank
- dominance of the World Trade Organisation through effective veto power and 'weight of trade' rather than formal voting power
- one-sided rules of trade, which give privileged protection to Western agriculture and other interests while opening markets in the Majority World
- protection of 'hard currency' through the central banking system through the Bank of International Settlements
- immigration controls which manage the flow of labour to meet the needs of Western economies
- use of aid and investment to control elites in the Majority World through reward and punishment
- support for coups or military intervention in countries which defy Western dominance
- International decision-making has a legacy of inequality which some authors have compared to historical apartheid in South Africa.

# **World Governance**                      **governance/Global**

Global governance or world governance is a movement towards political cooperation among transnational actors, aimed at negotiating responses to problems that affect more than one state or region. Institutions of global governance—the United Nations, the International Criminal Court, the World Bank, etc.—tend to have limited or demarcated power to enforce compliance. The modern question of world governance exists in the context of globalization and globalizing regimes of power: politically, economically and culturally. In response to the acceleration of worldwide interdependence, both between human societies and between humankind and the biosphere, the term "global governance" may name the process of designating laws, rules, or regulations intended for a global scale.

Global governance is not a singular system. There is no "world government" but the many different regimes of global *governance* do have commonalities:

While the contemporary system of global political relations is not integrated, the relation between the various regimes of global governance is not insignificant, and the system does have a common dominant organizational form. The dominant mode of organization today is bureaucratic rational – regularized, codified and rational. It is common to all modern regimes of political power and frames the transition from classical sovereignty to

what David Held describes as the second regime of sovereignty – liberal international sovereignty.

## **Definition**

The term world governance is broadly used to designate all regulations intended for organization and centralization of human societies on a global scale. The Forum for a new World Governance defines world governance simply as "collective management of the planet".

Traditionally, *government* has been associated with "governing," or with political authority, institutions, and, ultimately, control. *Governance* denotes a process through which institutions coordinate and control independent social relations, and that have the ability to enforce, by force, their decisions. However, authors like James Rosenau have also used "governance" to denote the regulation of interdependent relations in the absence of an overarching political authority, such as in the international system. Some now speak of the development of "global public policy".

Adil Najam, a scholar on the subject at the Pardee School of Global Studies, Boston University has defined global governance simply as "the management of global processes in the absence of global government." According to Thomas G. Weiss, director of the Ralph Bunche Institute for International Studies at the Graduate Center (CUNY) and editor (2000–05) of the journal *Global Governance: A Review of Multilateralism and International*

*Organizations*, "'Global governance'—which can be good, bad, or indifferent—refers to concrete cooperative problem-solving arrangements, many of which increasingly involve not only the United Nations of states but also 'other UNs,' namely international secretariats and other non-state actors." In other words, global governance refers to the way in which global affairs are managed.

The definition is flexible in scope, applying to general subjects such as global security and order or to specific documents and agreements such as the World Health Organization's Code on the Marketing of Breast Milk Substitutes. The definition applies whether the participation is bilateral (e.g. an agreement to regulate usage of a river flowing in two countries), function-specific (e.g. a commodity agreement), regional (e.g. the Treaty of Tlatelolco), or global (e.g. the Non-Proliferation Treaty). These "cooperative problem-solving arrangements" may be formal, taking the shape of laws or formally constituted institutions for a variety of actors (such as state authorities, intergovernmental organizations (IGOs), non-governmental organizations (NGOs), private sector entities, other civil society actors, and individuals) to manage collective affairs. They may also be informal (as in the case of practices or guidelines) or ad hoc entities (as in the case of coalitions).

However, a single organization may take the nominal lead on an issue, for example the World Trade Organization (WTO) in world trade affairs. Therefore, global governance is thought to be an international process of consensus-forming which generates

guidelines and agreements that affect national governments and international corporations. Examples of such consensus would include WHO policies on health issues.

In short, global governance may be defined as "the complex of formal and informal institutions, mechanisms, relationships, and processes between and among states, markets, citizens and organizations, both inter- and non-governmental, through which collective interests on the global plane are articulated, Duties, obligations and privileges are established, and differences are mediated through educated professionals."

Titus Alexander, author of *Unravelling Global Apartheid, an Overview of World Politics*, has described the current institutions of global governance as a system of global apartheid, with numerous parallels with minority rule in the formal and informal structures of South Africa before 1991.

## **Usage**

The dissolution of the Soviet Union in 1991 marked the end of a long period of international history based on a policy of balance of powers. Since this historic event, the planet has entered a phase of geostrategic breakdown. The national-security model, for example, while still in place for most governments, is gradually giving way to an emerging collective conscience that extends beyond the restricted framework it represents.

The post-Cold War world of the 1990s saw a new paradigm emerge based on a number of issues:

The growing idea of globalization as a significant theme and the subsequent weakening of nation-states, points to a prospect of transferring to a global level of regulatory instruments. Upon the model that regulation was no longer working effectively at the national or regional levels.

An intensification of environmental concerns, which received multilateral endorsement at the Earth Summit. The Summit issues, relating to the climate and biodiversity, symbolized a new approach that was soon to be expressed conceptually by the term Global Commons.

The emergence of conflicts over standards: trade and the environment, trade and property rights, trade and public health. These conflicts continued the traditional debate over the social effects of macroeconomic stabilization policies, and raised the question of arbitration among equally legitimate objectives in a compartmentalized governance system where the major areas of interdependence are each entrusted to a specialized international institution. Although often limited in scope, these conflicts are nevertheless symbolically powerful, as they raise the question of the principles and institutions of arbitration.

An increased questioning of international standards and institutions by developing countries, which, having entered the global economy, find it hard to accept that industrialized countries hold onto power and give preference to their own interests. The challenge also comes from civil society, which considers that the international governance system has become



the real seat of power and which rejects both its principles and procedures. Although these two lines of criticism often have conflicting beliefs and goals, they have been known to join in order to oppose the dominance of developed countries and major institutions, as demonstrated symbolically by the failure of the World Trade Organization Ministerial Conference of 1999.

## **Technique**

- Global governance can be roughly divided into four stages:
- agenda-setting;
- policymaking,
- implementation and enforcement, and
- evaluation, monitoring, and adjudication.

World authorities including international organizations and corporations achieve deference to their agenda through different means. Authority can derive from institutional status, expertise, moral authority, capacity, or perceived competence.

## **Themes**

In its initial phase, world governance was able to draw on themes inherited from geopolitics and the theory of international relations, such as peace, defense, geostrategy, diplomatic relations, and trade relations. But as globalization progresses and the number of interdependences increases, the global level is

also highly relevant to a far wider range of subjects. Following are a number of examples.

### **Environmental governance and managing the planet**

"The crisis brought about by the accelerated pace and the probably irreversible character of the effect of human activities on nature requires collective answers from governments and citizens. Nature ignores political and social barriers, and the global dimension of the crisis cancels the effects of any action initiated unilaterally by state governments or sectoral institutions, however powerful they may be. Climate change, ocean and air pollution, nuclear risks and those related to genetic manipulation, the reduction and extinction of resources and biodiversity, and above all a development model that remains largely unquestioned globally are all among the various manifestations of this accelerated and probably irreversible effect.

This effect is the factor, in the framework of globalization, that most challenges a system of states competing with each other to the exclusion of all others: among the different fields of global governance, environmental management is the most wanting in urgent answers to the crisis in the form of collective actions by the whole of the human community. At the same time, these actions should help to model and strengthen the progressive building of this community." Proposals in this area have discussed the issue of how collective environmental action is possible. Many multilateral, environment-related agreements

have been forged in the past 30 years, but their implementation remains difficult. There is also some discussion on the possibility of setting up an international organization that would centralize all the issues related to international environmental protection, such as the proposed World Environment Organization (WEO). The United Nations Environment Program (UNEP) could play this role, but it is a small-scale organization with a limited mandate. The question has given rise to two opposite views: the European Union, especially France and Germany, along with a number of NGOs, is in favor of creating a WEO; the United Kingdom, the USA, and most developing countries prefer opting for voluntary initiatives.

The International Institute for Sustainable Development proposes a "reform agenda" for global environmental governance. The main argument is that there seems to exist an unspoken but powerful consensus on the essential objectives of a system of global environmental governance. These goals would require top-quality leadership, a strong environmental policy based on knowledge, effective cohesion and coordination, good management of the institutions constituting the environmental governance system, and spreading environmental concerns and actions to other areas of international policy and action.

## **A World Environment Organisation**

The focus of environmental issues shifted to climate change from 1992 onwards. Due to the transboundary nature of climate change, various calls have been made for a World Environment

Organisation (WEO) (sometimes referred to as a Global Environment Organisation) to tackle this global problem on a global scale. At present, a single worldwide governing body with the powers to develop and enforce environmental policy does not exist. The idea for the creation of a WEO was discussed thirty years ago but is receiving fresh attention in the light of arguably disappointing outcomes from recent, 'environmental mega-conferences'(e.g. Rio Summit and Earth Summit 2002).

### **Current global environmental governance**

International environmental organisations do exist. The United Nations Environmental Programme (UNEP), created in 1972, coordinates the environmental activity of countries in the UN. UNEP and similar international environmental organisations are seen as not up to the task. They are criticised as being institutionally weak, fragmented, lacking in standing and providing non-optimal environmental protection. It has been stated that the current decentralised, poorly funded and strictly intergovernmental regime for global environmental issues is sub-standard. However, the creation of a WEO may threaten to undermine some of the more effective aspects of contemporary global environmental governance; notably its fragmented nature, from which flexibility stems. This also allows responses to be more effective and links to be forged across different domains. Even though the environment and climate change are framed as global issues, Levin states that 'it is precisely at this level that government institutions are least effective and trust most

delicate' while Oberthur and Gehring argue that it would offer little more than institutional restructuring for its own sake.

## **A World Environment Organisation and the World Trade Organisation**

Many proposals for the creation of a WEO have emerged from the trade and environment debate. It has been argued that instead of creating a WEO to safeguard the environment, environmental issues should be directly incorporated into the World Trade Organisation (WTO). The WTO has "had success in integrating trade agreements and opening up markets because it is able to apply legal pressure to nation states and resolve disputes". Greece and Germany are currently in discussion about the possibility of solar energy being used to repay some of Greece's debt after their economy crashed in 2010. This exchange of resources, if it is accepted, is an example of increased international cooperation and an instance where the WTO could embrace energy trade agreements. If the future holds similar trade agreements, then an environmental branch of the WTO would surely be necessary. However critics of a WTO/WEO arrangement say that this would neither concentrate on more directly addressing underlying market failures, nor greatly improve rule-making.

The creation of a new agency, whether it be linked to the WTO or not, has now been endorsed by Renato Ruggiero, the former head of the World Trade Organization (WTO), as well as by the new WTO director-designate, Supachai Panitchpakdi. The debate over

a global institutional framework for environmental issues will undoubtedly rumble on but at present there is little support for any one proposal.

## **Governance of the economy and of globalization**

The 2008 financial crisis may have undermined faith that laissez-faire capitalism will correct all serious financial malfunctioning on its own, as well as belief in the presumed independence of the economy from politics. It has been stated that, lacking in transparency and far from democratic, international financial institutions may be incapable of handling financial collapses. There are many who believe free-market capitalism may be incapable of forming the economic policy of a stable society, as it has been theorised that it can exacerbate inequalities.

Nonetheless, the debate on the potential failings of the system has led the academic world to seek solutions. According to Tubiana and Severino, "refocusing the doctrine of international cooperation on the concept of public goods offers the possibility of breaking the deadlock in international negotiations on development, with the perception of shared interests breathing new life into an international solidarity that is running out of steam."

Joseph Stiglitz argues that a number of global public goods should be produced and supplied to the populations, but are not, and that a number of global externalities should be taken into consideration, but are not. On the other hand, he contends, the

international stage is often used to find solutions to completely unrelated problems under the protection of opacity and secrecy, which would be impossible in a national democratic framework.

On the subject of international trade, Susan George states that "... in a rational world, it would be possible to construct a trading system serving the needs of people in both North and South.... Under such a system, crushing third world debt and the devastating structural adjustment policies applied by the World Bank and the IMF would have been unthinkable, although the system would not have abolished capitalism."

### **Political and institutional governance**

Building a responsible world governance that would make it possible to adapt the political organization of society to globalization implies establishing a democratic political legitimacy at every level: local, national, regional and global.

Obtaining this legitimacy requires rethinking and reforming, all at the same time:

- the fuzzy maze of various international organizations, instituted mostly in the wake of World War II; what is needed is a system of international organizations with greater resources and a greater intervention capacity, more transparent, fairer, and more democratic;
- the Westphalian system, the very nature of states along with the role they play with regard to the other

institutions, and their relations to each other; states will have to share part of their sovereignty with institutions and bodies at other territorial levels, and all will have to begin a major process to deepen democracy and make their organization more responsible;

- the meaning of citizen sovereignty in the different government systems and the role of citizens as political protagonists; there is a need to rethink the meaning of political representation and participation and to sow the seeds of a radical change of consciousness that will make it possible to move in the direction of a situation in which citizens, in practice, will play the leading role at every scale.

The political aspect of world governance is discussed in greater detail in the section Problems of World Governance and Principles of Governance

## **Governance of peace, security, and conflict resolution**

Armed conflicts have changed in form and intensity since the Berlin wall came down in 1989. The events of 9/11, the wars in Afghanistan and in Iraq, and repeated terrorist attacks all show that conflicts can repercuss well beyond the belligerents directly involved. The major powers and especially the United States, have used war as a means of resolving conflicts and may well continue to do so. If many in the United States believe that



fundamentalist Muslim networks are likely to continue to launch attacks, in Europe nationalist movements have proved to be the most persistent terrorist threat. The Global War on Terrorism arguably presents a form of emerging global governance in the sphere of security with the United States leading cooperation among the Western states, non-Western nations and international institutions. Beyer argues that participation in this form of 'hegemonic governance' is caused both by a shared identity and ideology with the US, as well as cost-benefit considerations. Pesawar school attack 2014 is a big challenge to us. Militants from the Pakistani Taliban have attacked an army-run school in Peshawar, killing 141 people, 132 of them children, the military say.

At the same time, civil wars continue to break out across the world, particularly in areas where civil and human rights are not respected, such as Central and Eastern Africa and the Middle East. These and other regions remain deeply entrenched in permanent crises, hampered by authoritarian regimes, many of them being supported by the United States, reducing entire swathes of the population to wretched living conditions. The wars and conflicts we are faced with have a variety of causes: economic inequality, social conflict, religious sectarianism, Western imperialism, colonial legacies, disputes over territory and over control of basic resources such as water or land. They are all illustrations a deep-rooted crisis of world governance.

The resulting bellicose climate imbues international relations with competitive nationalism and contributes, in rich and poor

countries alike, to increasing military budgets, siphoning off huge sums of public money to the benefit of the arms industry and military-oriented scientific innovation, hence fueling global insecurity. Of these enormous sums, a fraction would be enough to provide a permanent solution for the basic needs of the planet's population hence practically eliminating the causes of war and terrorism.

Andrée Michel argues that the arms race is not only proceeding with greater vigor, it is the surest means for Western countries to maintain their hegemony over countries of the South. Following the break-up of the Eastern bloc countries, she maintains, a strategy for the manipulation of the masses was set up with a permanent invention of an enemy (currently incarnated by Iraq, Iran, Libya, Syria, and North Korea) and by kindling fear and hate of others to justify perpetuating the Military-industrial complex and arms sales. The author also recalls that the "Big Five" at the UN who have the veto right are responsible for 85% of arms sales around the world.

Proposals for the governance of peace, security, and conflict resolution begin by addressing prevention of the causes of conflicts, whether economic, social, religious, political, or territorial. This requires assigning more resources to improving people's living conditions—health, accommodation, food, and work—and to education, including education in the values of peace, social justice, and unity and diversity as two sides of the same coin representing the global village. Resources for peace could be obtained by regulating, or even reducing military

budgets, which have done nothing but rise in the past recent years. This process could go hand in hand with plans for global disarmament and the conversion of arms industries, applied proportionally to all countries, including the major powers. Unfortunately, the warlike climate of the last decade has served to relegate all plans for global disarmament, even in civil-society debates, and to pigeonhole them as a long-term goal or even a Utopian vision. This is definitely a setback for the cause of peace and for humankind, but it is far from being a permanent obstacle.

International institutions also have a role to play in resolving armed conflicts. Small international rapid deployment units could intervene in these with an exclusive mandate granted by a reformed and democratic United Nations system or by relevant regional authorities such as the European Union. These units could be formed specifically for each conflict, using armies from several countries as was the case when the UNIFIL was reinforced during the 2006 Lebanon War. On the other hand, no national army would be authorized to intervene unilaterally outside its territory without a UN or regional mandate.

Another issue that is worth addressing concerns the legitimate conditions for the use of force and conduct during war. Jean-René Bachelet offers an answer with the conceptualization of a military ethics corresponding to the need for a "principle of humanity." The author defines this principle as follows: "All human beings, whatever their race, nationality, gender, age, opinion, or religion, belong to one same humanity, and every

individual has an inalienable right to respect for his life, integrity, and dignity."

## **Governance of science, education, information, and communications**

The World Trade Organization's (WTO) agenda of liberalizing public goods and services are related to culture, science, education, health, living organisms, information, and communication. This plan has been only partially offset by the alter-globalization movement, starting with the events that took place at the 1999 Seattle meeting, and on a totally different and probably far more influential scale in the medium and long term, by the astounding explosion of collaborative practices on the Internet. However, lacking political and widespread citizen support as well as sufficient resources, civil society has not so far been able to develop and disseminate alternative plans for society as a whole on a global scale, even though plenty of proposals and initiatives have been developed, some more successful than others, to build a fairer, more responsible, and more solidarity-based world in all of these areas.

Above all, each country tries to impose their values and collective preferences within international institutions such like WTO or UNESCO, particularly in the Medias sector. This is an excellent opportunity to promote their soft power, for instance with the promotion of the cinema. As far as science is concerned, "[r]esearch increasingly bows to the needs of financial markets, turning competence and knowledge into commodities, making

employment flexible and informal, and establishing contracts based on goals and profits for the benefit of private interests in compliance with the competition principle. The directions that research has taken in the past two decades and the changes it has undergone have drastically removed it from its initial mission (producing competence and knowledge, maintaining independence) with no questioning of its current and future missions. Despite the progress, or perhaps even as its consequence, humankind continues to face critical problems: poverty and hunger are yet to be vanquished, nuclear arms are proliferating, environmental disasters are on the rise, social injustice is growing, and so on.

Neoliberal commercialization of the commons favors the interests of pharmaceutical companies instead of the patients', of food-processing companies instead of the farmers' and consumers'. Public research policies have done nothing but support this process of economic profitability, where research results are increasingly judged by the financial markets. The system of systematically patenting knowledge and living organisms is thus being imposed throughout the planet through the 1994 WTO agreements on intellectual property. Research in many areas is now being directed by private companies."

On the global level, "[i]nstitutions dominating a specific sector also, at every level, present the risk of reliance on technical bodies that use their own references and deliberate in an isolated environment. This process can be observed with the 'community of patents' that promotes the patenting of living organisms, as

well as with authorities controlling nuclear energy. This inward-looking approach is all the more dangerous that communities of experts are, in all complex technical and legal spheres, increasingly dominated by the major economic organizations that finance research and development."

On the other hand, several innovative experiments have emerged in the sphere of science, such as: conscience clauses and citizens' panels as a tool for democratizing the production system: science shops and community-based research. Politically committed scientists are also increasingly organizing at the global level.

As far as education is concerned, the effect of commoditization can be seen in the serious tightening of education budgets, which affects the quality of general education as a public service. The Global Future Online report reminds us that "... at the half-way point towards 2015 (*author's note: the deadline for the Millennium Goals*), the gaps are daunting: 80 million children (44 million of them girls) are out of school, with marginalized groups (26 million disabled and 30 million conflict-affected children) continuing to be excluded. And while universal access is critical, it must be coupled with improved learning outcomes—in particular, children achieving the basic literacy, numeracy and life skills essential for poverty reduction."

In addition to making the current educational system available universally, there is also a call to improve the system and adapt it to the speed of changes in a complex and unpredictable world.

On this point, Edgar Morin asserts that we must "[r]ethink our way of organizing knowledge. This means breaking down the traditional barriers between disciplines and designing new ways to reconnect that which has been torn apart." The UNESCO report drawn up by Morin contains "seven principles for education of the future": detecting the error and illusion that have always parasitized the human spirit and human behavior; making knowledge relevant, i.e. a way of thinking that makes distinctions and connections; teaching the human condition; teaching terrestrial identity; facing human and scientific uncertainties and teaching strategies to deal with them; teaching understanding of the self and of others, and an ethics for humankind.

The exponential growth of new technologies, the Internet in particular, has gone hand in hand with the development over the last decade of a global community producing and exchanging goods. This development is permanently altering the shape of the entertainment, publishing, and music and media industries, among others. It is also influencing the social behavior of increasing numbers of people, along with the way in which institutions, businesses, and civil society are organized. Peer-to-peer communities and collective knowledge-building projects such as Wikipedia have involved millions of users around the world. There are even more innovative initiatives, such as alternatives to private copyright such as Creative Commons, cyber democracy practices, and a real possibility of developing them on the sectoral, regional, and global levels.

## **Regional views**

Regional players, whether regional conglomerates such as Mercosur and the European Union, or major countries seen as key regional players such as China, the United States, and India, are taking a growing interest in world governance. Examples of discussion of this issue can be found in the works of: Martina Timmermann *et al.*, *Institutionalizing Northeast Asia: Regional Steps toward Global Governance*; Douglas Lewis, *Global Governance and the Quest for Justice - Volume I: International and Regional Organizations*; Olav Schram Stokke, "Examining the Consequences of International Regimes," which discusses Northern, or Arctic region building in the context of international relations; Jeffery Hart and Joan Edelman Spero, "Globalization and Global Governance in the 21st Century," which discusses the push of countries such as Mexico, Brazil, India, China, Taiwan, and South Korea, "important regional players" seeking "a seat at the table of global decision-making"; Dr. Frank Altemöller, "International Trade: Challenges for Regional and Global Governance: A comparison between Regional Integration Models in Eastern Europe and Africa – and the role of the WTO", and many others.

Interdependence among countries and regions hardly being refutable today, regional integration is increasingly seen not only as a process in itself, but also in its relation to the rest of the world, sometimes turning questions like "What can the world bring to my country or region?" into "What can my country or region bring to the rest of the world?" Following are a few



examples of how regional players are dealing with these questions.

## **Africa**

Often seen as a problem to be solved rather than a people or region with an opinion to express on international policy, Africans and Africa draw on a philosophical tradition of community and social solidarity that can serve as inspiration to the rest of the world and contribute to building world governance. One example is given by Sabelo J. Ndlovu-Gatheni when he reminds us of the relevance of the Ubuntu concept, which stresses the interdependence of human beings.

African civil society has thus begun to draw up proposals for governance of the continent, which factor in all of the dimensions: local, African, and global. Examples include proposals by the network "Dialogues sur la gouvernance en Afrique" for "the construction of a local legitimate governance," state reform "capable of meeting the continent's development challenges," and "effective regional governance to put an end to Africa's marginalization."

## **United States**

Foreign-policy proposals announced by President Barack Obama include restoring the Global Poverty Act, which aims to contribute to meeting the UN Millennium Development Goals to reduce by half the world population living on less than a dollar a

day by 2015. Foreign aid is expected to double to 50 billion dollars. The money will be used to help build educated and healthy communities, reduce poverty and improve the population's health.

In terms of international institutions, The White House Web site advocates reform of the World Bank and the IMF, without going into any detail.

Below are further points in the Obama-Biden plan for foreign policy directly related to world governance:

- strengthening of the nuclear non-proliferation treaty;
- global de-nuclearization in several stages including stepping up cooperation with Russia to significantly reduce stocks of nuclear arms in both countries;
- revision of the culture of secrecy: institution of a National Declassification Center to make declassification secure but routine, efficient, and cost-effective;
- increase in global funds for AIDS, TB and malaria. Eradication of malaria-related deaths by 2015 by making medicines and mosquito nets far more widely available;
- increase in aid for children and maternal health as well as access to reproductive health-care programs;
- creation of a 2-billion-dollar global fund for education. Increased funds for providing access to drinking water and sanitation;

- other similarly large-scale measures covering agriculture, small- and medium-sized enterprises and support for a model of international trade that fosters job creation and improves the quality of life in poor countries;
- in terms of energy and global warming, Obama advocates a) an 80% reduction of greenhouse-gas emissions by 2050 b) investing 150 billion dollars in alternative energies over the next 10 years and c) creating a Global Energy Forum capable of initiating a new generation of climate protocols.

## **Latin America**

The 21st century has seen the arrival of a new and diverse generation of left-wing governments in Latin America. This has opened the door to initiatives to launch political and governance renewal. A number of these initiatives are significant for the way they redefine the role of the state by drawing on citizen participation, and can thus serve as a model for a future world governance built first and foremost on the voice of the people. The constituent assemblies in Ecuador and Bolivia are fundamental examples of this phenomenon.

In Ecuador, social and indigenous movements were behind the discussions that began in 1990 on setting up a constituent assembly. In the wake of Rafael Correa's arrival at the head of the country in November 2006, widespread popular action with the slogan "*que se vayan todos*" (let them all go away) succeeded

in getting all the political parties of congress to accept a convocation for a referendum on setting up the assembly.

In April 2007, Rafael Correa's government organized a consultation with the people to approve setting up a constituent assembly. Once it was approved, 130 members of the assembly were elected in September, including 100 provincial members, 24 national members and 6 for migrants in Europe, Latin America and the USA. The assembly was officially established in November. Assembly members belonged to traditional political parties as well as the new social movements. In July 2008, the assembly completed the text for the new constitution and in September 2008 there was a referendum to approve it. Approval for the new text won out, with 63.9% of votes for compared to 28.1% of votes against and a 24.3% abstention rate.

The new constitution establishes the rule of law on economic, social, cultural and environmental rights (ESCER). It transforms the legal model of the social state subject to the rule of law into a "constitution of guaranteed well-being" (*Constitución del bienestar garantizado*) inspired by the ancestral community ideology of "good living" propounded by the Quechuas of the past, as well as by 21st century socialist ideology. The constitution promotes the concept of food sovereignty by establishing a protectionist system that favors domestic production and trade. It also develops a model of public aid for education, health, infrastructures and other services. In addition, it adds to the three traditional powers, a fourth power called the Council of Citizen Participation and Social Control, made up of former constitutional control

bodies and social movements, and mandated to assess whether public policies are constitutional or not.

The new Bolivian constitution was approved on 25 January 2009 by referendum, with 61.4% votes in favor, 38.6% against and a 90.2% turnout. The proposed constitution was prepared by a constituent assembly that did not only reflect the interests of political parties and the elite, but also represented the indigenous peoples and social movements. As in Ecuador, the proclamation of a constituent assembly was demanded by the people, starting in 1990 at a gathering of indigenous peoples from the entire country, continuing with the indigenous marches in the early 2000s and then with the Program Unity Pact (*Pacto de Unidad Programático*) established by family farmers and indigenous people in September 2004 in Santa Cruz.

The constitution recognizes the autonomy of indigenous peoples, the existence of a specific indigenous legal system, exclusive ownership of forest resources by each community and a quota of indigenous members of parliament. It grants autonomy to counties, which have the right to manage their natural resources and elect their representatives directly. The *latifundio* system has been outlawed, with maximum ownership of 5,000 hectares allowed per person. Access to water and sanitation are covered by the constitution as human rights that the state has to guarantee, as well as other basic services such as electricity, gas, postal services, and telecommunications that can be provided by either the state or contracting companies. The new constitution also establishes a social and community economic model made up of

public, private, and social organizations, and cooperatives. It guarantees private initiative and freedom of enterprise, and assigns public organizations the task of managing natural resources and related processes as well as developing public services covered by the constitution. National and cooperative investment is favored over private and international investment. The "unitary plurinational" state of Bolivia has 36 official indigenous languages along with Spanish. Natural resources belong to the people and are administered by the state. The form of democracy in place is no longer considered as exclusively representative and/or based on parties. Thus, "the people deliberate and exercise government via their representatives and the constituent assembly, the citizen legislative initiative and the referendum..." and "popular representation is exercised via the political parties, citizen groups, and indigenous peoples." This way, "political parties, and/or citizen groups and/or indigenous peoples can present candidates directly for the offices of president, vice-president, senator, house representative, constituent-assembly member, councilor, mayor, and municipal agent. The same conditions apply legally to all...."

Also in Latin America: "Amazonia... is an enormous biodiversity reservoir and a major climate-regulation agent for the planet but is being ravaged and deteriorated at an accelerated pace; it is a territory almost entirely devoid of governance, but also a breeding place of grassroots organization initiatives.". "Amazonia can be the fertile field of a true school of 'good' governance if it is looked after as a common and valuable good, first by Brazilians (65% of Amazonia is within Brazilian borders) and the people of

the South American countries surrounding it, but also by all the Earth's inhabitants." Accordingly, "[f]rom a world-governance perspective, [Amazonia] is in a way an enormous laboratory. Among other things, Amazonia enables a detailed examination of the negative effects of productivism and of the different forms of environmental packaging it can hide behind, including 'sustainable development.' Galloping urbanization, Human Rights violations, the many different types of conflicts (14 different types of conflicts have been identified within the hundreds of cases observed in Amazonia), protection of indigenous populations and their active participation in local governance: these are among the many Amazonian challenges also affecting the planet as a whole, not to mention the environment. The hosts of local initiatives, including among the indigenous populations, are however what may be most interesting in Amazonia in that they testify to the real, concrete possibility of a different form of organization that combines a healthy local economy, good social cohesion, and a true model of sustainable development—this time not disguised as something else. All of this makes Amazonia 'a territory of solutions.'"

According to Arnaud Blin, the Amazonian problem helps to define certain fundamental questions on the future of humankind. First, there is the question of social justice: "

## **Asia**

The growing interest in world governance in Asia represents an alternative approach to official messages, dominated by states'

nationalist visions. An initiative to develop proposals for world governance took place in Shanghai in 2006, attended by young people from every continent. The initiative produced ideas and projects that can be classified as two types: the first and more traditional type, covering the creation of a number of new institutions such as an International Emissions Organization, and a second more innovative type based on organizing network-based systems. For example, a system of cooperative control on a worldwide level among states and self-organization of civil society into networks using new technologies, a process that should serve to set up a *Global Calling-for-Help Center* or a new model based on citizens who communicate freely, share information, hold discussions, and seek consensus-based solutions. They would use the Internet and the media, working within several types of organizations: universities, NGOs, local volunteers and civil-society groups.

Given the demographic importance of the continent, the development of discussion on governance and practices in Asia at the regional level, as well as global-level proposals, will be decisive in the years ahead in the strengthening of global dialog among all sorts of stakeholders, a dialog that should produce a fairer world order.

## **Europe**

According to Michel Rocard, Europe does not have a shared vision, but a collective history that allows Europeans to opt for projects for gradual political construction such as the European



Union. Drawing on this observation, Rocard conceives of a European perspective that supports the development of three strategies for constructing world governance: reforming the UN, drawing up international treaties to serve as the main source of global regulations, and "the progressive penetration of the international scene by justice."

Rocard considers that there are a number of "great questions of the present days" including recognition by all nations of the International Criminal Court, the option of an international police force authorized to arrest international criminals, and the institution of judicial procedures to deal with tax havens, massively polluting activities, and states supporting terrorist activities. He also outlines "new problems" that should foster debate in the years to come on questions such as a project for a Declaration of Interdependence, how to re-equilibrate world trade and WTO activities, and how to create world regulations for managing collective goods (air, drinking water, oil, etc.) and services (education, health, etc.).

Martin Ortega similarly suggests that the European Union should make a more substantial contribution to global governance, particularly through concerted action in international bodies. European states, for instance, should reach an agreement on the reform of the United Nations Security Council.

In 2011, the European Strategy and Policy Analysis System (ESPAS), an inter-institutional pilot project of the European Union which aims to assist EU policy formulation through the

identification and critical analysis of long-term global trends, highlighted the importance of expanding global governance over the next 20 years.

### **Stakeholders' views**

It is too soon to give a general account of the view of world-governance stakeholders, although interest in world governance is on the rise on the regional level, and we will certainly see different types of stakeholders and social sectors working to varying degrees at the international level and taking a stand on the issue in the years to come.

### **Members of parliament**

The World Parliamentary Forum, open to members of parliament from all nations and held every year at the same time as the World Social Forum, drew up a declaration at the sixth forum in Caracas in 2006. The declaration contains a series of proposals that express participants' opinion on the changes referred to.

### **Regional organizations**

The European Commission referred to global governance in its White Paper on European Governance. It contends that the search for better global governance draws on the same set of shared challenges humanity is currently facing. These challenges can be summed up by a series of goals: sustainable development, security, peace and equity (in the sense of "fairness").

## **Non-state stakeholders**

The freedom of thought enjoyed by non-state stakeholders enables them to formulate truly alternative ideas on world-governance issues, but they have taken little or no advantage of this opportunity.

Pierre Calame believes that "[n]on-state actors have always played an essential role in global regulation, but their role will grow considerably in this, the beginning of the twenty-first Century... Non-state actors play a key role in world governance in different domains... To better understand and develop the non-state actors' role, it should be studied in conjunction with the general principles of governance." "Non-state actors, due to their vocation, size, flexibility, methods of organization and action, interact with states in an equal manner; however this does not mean that their action is better adapted."

One alternative idea encapsulated by many not-for-profit organisations relates to ideas in the 'Human Potential Movement' and might be summarised as a mission statement along these lines: 'To create an accepted framework for all humankind, that is self-regulating and which enables every person to achieve their fullest potential in harmony with the world and its place in existence.'

The use of the word 'humankind' is instead of 'mankind'. There are many examples of the use of the word 'humankind' and possibly therefore of this choice e.g. in the opening narration of

the TV series *Wonders of the Universe* by Professor Brian Cox (physicist). 'Self-regulation' is meant to invoke the concept of regulation which includes rule-making such as laws, and related ideas e.g. legal doctrine as well as other frameworks. However its scope is wider than this and intended to encompass cybernetics which allows for the study of regulation in as many varied contexts as possible from the regulation of gene expression to the Press Complaints Commission for example.

## **World Religious Leaders**

Since 2005, religious leaders from a diverse array of faith traditions have engaged in dialogue with G8 leaders around issues of global governance and world risk. Drawing on the cultural capital of diverse religious traditions, they seek to strengthen democratic norms by influencing political leaders to include the interests of the most vulnerable when they make their decisions. Some have argued that religion is a key to transforming or fixing global governance.

## **Proposals**

Several stakeholders have produced lists of proposals for a new world governance that is fairer, more responsible, solidarity-based, interconnected and respectful of the planet's diversity. Some examples are given below.

Joseph E. Stiglitz proposes a list of reforms related to the internal organization of international institutions and their

external role in the framework of global-governance architecture. He also deals with global taxation, the management of global resources and the environment, the production and protection of global knowledge, and the need for a global legal infrastructure.

A number of other proposals are contained in the World Governance Proposal Paper: giving concrete expression to the principle of responsibility; granting civil society greater involvement in drawing up and implementing international regulations; granting national parliaments greater involvement in drawing up and implementing international regulations; re-equilibrating trade mechanisms and adopting regulations to benefit the southern hemisphere; speeding up the institution of regional bodies; extending and specifying the concept of the commons; redefining proposal and decision-making powers in order to reform the United Nations; developing independent observation, early-warning, and assessment systems; diversifying and stabilizing the basis for financing international collective action; and engaging in a wide-reaching process of consultation, a new Bretton Woods for the United Nations.

This list provides more examples of proposals:

- the security of societies and its correlation with the need for global reforms—a controlled legally-based economy focused on stability, growth, full employment, and North-South convergence;
- equal rights for all, implying the institution of a global redistribution process;

- eradication of poverty in all countries;
- sustainable development on a global scale as an absolute imperative in political action at all levels;
- fight against the roots of terrorism and crime;
- consistent, effective, and fully democratic international institutions;

Europe sharing its experience in meeting the challenges of globalization and adopting genuine partnership strategies to build a new form of multilateralism.

Dr. Rajesh Tandon, president of the FIM (Montreal International Forum) and of PRIA (Participatory Research in Asia), prepared a framework document entitled "Democratization of Global Governance for Global Democracy: Civil Society Visions and Strategies (G05) conference." He used the document to present five principles that could provide a basis for civil society actions: "Global institutions and agenda should be subjected to democratic political accountability."

Democratic policy at the global level requires legitimacy of popular control through representative and direct mechanisms.

Citizen participation in decision making at global levels requires equality of opportunity to all citizens of the world.

Multiple spheres of governance, from local to provincial to national to regional and global, should mutually support democratization of decision making at all levels.

Global democracy must guarantee that global public goods are equitably accessible to all citizens of the world.

Blockchain and decentralized platforms can be considered as hyper-political and Global governance tools, capable to manage social interactions on large scale and dismiss traditional central authorities.

Vijaya Ramachandran, Enrique Rueda-Sabater and Robin Kraft also define principles for representation of nations and populations in the system of global governance. They propose a "Two Percent Club" that would provide for direct representation of nations with at least two percent of global population or global GDP; other nations would be represented within international fora through regional blocs.

### **Academic tool or discipline**

In the light of the unclear meaning of the term "global governance" as a concept in international politics, some authors have proposed to define it not in substantive, but in methodological terms. Global Governance, thus defined, becomes an analytical concept that provides a specific perspective on world politics different from that of conventional international relations theory. Some universities, including those offering courses in international relations, have begun to establish degree programmes in global governance.

## **Context**

There are those who believe that world architecture depends on establishing a system of world governance. However, the equation is currently becoming far more complicated: Whereas the process used to be about regulating and limiting the individual power of states to avoid disturbing or overturning the status quo, the issue for today's world governance is to have a collective influence on the world's destiny by establishing a system for regulating the many interactions that lie beyond the province of state action. The political homogenization of the planet that has followed the advent of what is known as liberal democracy in its many forms should make it easier to establish a world governance system that goes beyond market laissez-faire and the democratic peace originally formulated by Immanuel Kant, which constitutes a sort of geopolitical laissez-faire.

Another view regarding the establishment of global governance is based on the difficulties to achieve equitable development at the world scale. "To secure for all human beings in all parts of the world the conditions allowing a decent and meaningful life requires enormous human energies and far-reaching changes in policies. The task is all the more demanding as the world faces numerous other problems, each related to or even part of the development challenge, each similarly pressing, and each calling for the same urgent attention. But, as Arnold Toynbee has said, 'Our age is the first generation since the dawn of history in which mankind dares to believe it practical to make the benefits of civilization available to the whole human race'."



## **Need**

Because of the heterogeneity of preferences, which are enduring despite globalization, are often perceived as an implacable homogenization process. Americans and Europeans provide a good example of this point: on some issues they have differing common grounds in which the division between the public and private spheres still exist. Tolerance for inequalities and the growing demand for redistribution, attitudes toward risk, and over property rights vs human rights, set the stage. In certain cases, globalization even serves to accentuate differences rather than as a force for homogenization. Responsibility must play its part with respect to regional and International governments, when balancing the needs of its citizenry.

With the growing emergence of a global civic awareness, comes opposition to globalization and its effects. A rapidly growing number of movements and organizations have taken the debate to the international level. Although it may have limitations, this trend is one response to the increasing importance of world issues, that effect the planet.

## **Chapter 2**

# **International Security, Military Power and Terrorism**

## **International security**

International security, also called global security, refers to the amalgamation of measures taken by states and international organizations, such as the United Nations, European Union, and others, to ensure mutual survival and safety. These measures include military action and diplomatic agreements such as treaties and conventions. International and national security are invariably linked. International security is national security or state security in the global arena.

With the end of World War II, a new subject of academic study focusing on international security emerged. It began as an independent field of study, but was absorbed as a sub-field of international relations. Since it took hold in the 1950s, the study of international security has been at the heart of international relations studies. It covers labels like "security studies", "strategic studies", "peace studies", and others.

The meaning of "security" is often treated as a common sense term that can be understood by "unacknowledged consensus". The content of international security has expanded over the

years. Today it covers a variety of interconnected issues in the world that affect survival. It ranges from the traditional or conventional modes of military power, the causes and consequences of war between states, economic strength, to ethnic, religious and ideological conflicts, trade and economic conflicts, energy supplies, science and technology, food, as well as threats to human security and the stability of states from environmental degradation, infectious diseases, climate change and the activities of non-state actors.

While the wide perspective of international security regards everything as a security matter, the traditional approach focuses mainly or exclusively on military concerns.

### **Concepts of security in the international arena**

Edward Kolodziej has compared international security to a Tower of Babel and Roland Paris (2004) views it as "in the eye of the beholder". Security has been widely applied to "justify suspending civil liberties, making war, and massively reallocating resources during the last fifty years".

Walter Lippmann (1944) views security as the capability of a country to protect its core values, both in terms that a state need not sacrifice core values in avoiding war and can maintain them by winning war. David Baldwin (1997) argues that pursuing security sometimes requires sacrificing other values, including marginal values and prime values. Richard Ullman (1983) has suggested that a decrease in vulnerability is security.

Arnold Wolfers (1952) argues that "security" is generally a normative term. It is applied by nations "in order to be either expedient—a rational means toward an accepted end—or moral, the best or least evil course of action". In the same way that people are different in sensing and identifying danger and threats, Wolfers argues that different nations also have different expectations of security. Not only is there a difference between forbearance of threats, but different nations also face different levels of threats because of their unique geographical, economic, ecological, and political environment.

Barry Buzan (2000) views the study of international security as more than a study of threats, but also a study of which threats that can be tolerated and which require immediate action. He sees the concept of security as not either power or peace, but something in between.

The concept of an international security actor has extended in all directions since the 1990s, from nations to groups, individuals, international systems, NGOs, and local governments.

### **The Multi-sum security principle**

Traditional approaches to international security usually focus on state actors and their military capacities to protect national security. However, over the last decades the definition of security has been extended to cope with the 21st century globalized international community, its rapid technological developments and global threats that emerged from this process. One such

comprehensive definition has been proposed by Nayef Al-Rodhan. What he calls the "Multi-sum security principle" is based on the assumption that "in a globalized world, security can no longer be thought of as a zero-sum game involving states alone. Global security, instead, has five dimensions that include human, environmental, national, transnational, and transcultural security, and therefore, global security and the security of any state or culture cannot be achieved without good governance at all levels that guarantees security through justice for all individuals, states, and cultures."

Each of these five dimensions refers to a different set of substrates. The first dimension refers to human security, a concept that makes the principle referent object of security the individual, not the state. The second dimension is environmental security and includes issues like climate change, global warming, and access to resources. The third substrate refers to national security, defined as being linked to the state's monopoly over use of force in a given territory and as a substrate of security that emphasizes the military and policing components of security. The fourth component deals with transnational threats such as organized crime, terrorism, and human trafficking. Finally, the integrity of diverse cultures and civilisational forms tackles the issue of transcultural security. According to this multi-faceted security framework all five dimensions of security need to be addressed in order to provide *just* and *sustainable* global security. It therefore advocates cooperative interaction between states and peaceful existence between cultural groups and civilizations.

## **Traditional security**

The traditional security paradigm refers to a realist construct of security in which the referent object of security is the state. The prevalence of this theorem reached a peak during the Cold War. For almost half a century, major world powers entrusted the security of their nation to a balance of power among states. In this sense international stability relied on the premise that if state security is maintained, then the security of citizens will necessarily follow. Traditional security relied on the anarchistic balance of power, a military build-up between the United States and the Soviet Union (the two superpowers), and on the absolute sovereignty of the nation state. States were deemed to be rational entities, national interests and policy driven by the desire for absolute power. Security was seen as protection from invasion; executed during proxy conflicts using technical and military capabilities.

As Cold War tensions receded, it became clear that the security of citizens was threatened by hardships arising from internal state activities as well as external aggressors. Civil wars were increasingly common and compounded existing poverty, disease, hunger, violence and human rights abuses. Traditional security policies had effectively masked these underlying basic human needs in the face of state security. Through neglect of its constituents, nation states had failed in their primary objective.

In the historical debate on how best to achieve national security, writers like Hobbes, Macchiavelli, and Rousseau tended to paint

a rather pessimistic picture of the implications of state sovereignty. The international system was viewed as a rather brutal arena in which states would seek to achieve their own security at the expense of their neighbors. Inter-state relations were seen as a struggle for power, as states constantly attempted to take advantage of each other. According to this view, permanent peace was unlikely to be achieved. All that states could do was to try to balance the power of other states to prevent anyone from achieving overall hegemony. This view was shared by writers such as E.H. Carr and Hans Morgenthau.

More recently, the traditional state-centric notion of security has been challenged by more holistic approaches to security. Among the approaches which seeks to acknowledge and address these basic threats to human safety are paradigms that include cooperative, comprehensive and collective measures, aimed to ensure security for the individual and, as a result, for the state.

To enhance international security against potential threats caused by terrorism and organized crime, there have been an increase in international cooperation, resulting in transnational policing. The international police Interpol shares information across international borders and this cooperation has been greatly enhanced by the arrival of the Internet and the ability to instantly transfer documents, films and photographs worldwide.

## **Theoretical approaches**

In the field of international relations, realism has long been a dominant theory, from ancient military theories and writings of Chinese and Greek thinkers, Sun Tzu and Thucydides being two of the more notable, to Hobbes, Machiavelli and Rousseau. It is the foundation of contemporary international security studies. The twentieth century classical realism is mainly derived from Edward Hallett Carr's book *The Twenty Years' Crisis*. The realist views anarchy and the absence of a power to regulate the interactions between states as the distinctive characteristics of international politics. Because of anarchy, or a constant state of antagonism, the international system differs from the domestic system. Realism has a variety of sub-schools whose lines of thought are based on three core assumptions: groupism, egoism, and power-centrism. According to classical realists, bad things happen because the people who make foreign policy are sometimes bad.

## **Neorealism**

Beginning in the 1960s, with increasing criticism of realism, Kenneth Waltz tried to revive the traditional realist theory by translating some core realist ideas into a deductive, top-down theoretical framework that eventually came to be called neorealism. *Theory of International Politics* brought together and clarified many earlier realist ideas about how the features of the overall system of states affects the way states interact:



"Neorealism answers questions: Why the modern states-system has persisted in the face of attempts by certain states at dominance; why war among great powers recurred over centuries; and why states often find cooperation hard. In addition, the book forwarded one more specific theory: that great-power war would tend to be more frequent in multipolarity (an international system shaped by the power of three or more major states) than bipolarity (an international system shaped by two major states, or superpowers)."

The main theories of neorealism are balance of power theory, balance of threat theory, security dilemma theory, offense-defense theory, hegemonic stability theory and power transition theory.

## **Liberalism**

Liberalism has a shorter history than realism but has been a prominent theory since World War I. It is a concept with a variety of meanings. Liberal thinking dates back to philosophers such as Thomas Paine and Immanuel Kant, who argued that republican constitutions produce peace. Kant's concept of Perpetual Peace is arguably seen as the starting point of contemporary liberal thought.

## **Economic liberalism**

Economic liberalism assumes that economic openness and interdependence between countries makes them more peaceful

than countries who are isolated. Eric Gartzke has written that economic freedom is 50 times more effective than democracy in creating peace. Globalization has been important to economic liberalism.

## **Liberal institutionalism**

Liberal institutionalism views international institutions as the main factor to avoid conflicts between nations. Liberal institutionalists argue that; although the anarchic system presupposed by realists cannot be made to disappear by institutions; the international environment that is constructed can influence the behavior of states within the system. Varieties of international governmental organizations (IGOs) and international non-governmental organizations (INGOs) are seen as contributors to world peace.

Some believe that these international institutions lead to neotrusteeship, or postmodern imperialism. International institutions lead to an interconnectedness between strong and weak or post-conflict nations. In a situation such as a collapsed, weak-nation without the means of autonomous recovery, international institutions often lead to involvement by a stronger nation to aid in recovery. Because there is no definite international security policy to address weak or post-conflict nations, stronger nations sometimes face “mission-creep,” a shift from supplying and aiding nations to an escalation of mission goals, when aiding weaker nations. In addition, there is some debate due to lack of testing that international intervention is

not the best institution to aid weak or post-war nations. Possible mission-creep, as well as inefficiencies in international intervention, creates debate as to the effectiveness of international institutions in peacekeeping.

Since its founding in the 1980s, constructivism has become an influential approach in international security studies. "It is less a theory of international relations or security, however, than a broader social theory which then informs how we might approach the study of security." Constructivists argue that security is a social construction. They emphasize the importance of social, cultural and historical factors, which leads to different actors construing similar events differently.

### **Women in international security**

As stated previously on this page, international and national security are inherently linked. U.S. Secretary of State Hillary Clinton has been prominent in highlighting the importance of women in national and thus international security. In what has been referred to as "the Hillary Doctrine", she highlights the adversarial relationship between extremism and women's liberation in making the point that with women's freedom comes the liberation of whole societies. As states like Egypt and Pakistan grant more rights to women, further liberation and stability within such countries will inevitably ensue, fostering greater security throughout the international realm. Along the same lines, Secretary of State John Kerry stated that "no country can get ahead if it leaves half of its people behind. This is why

the United States believes gender equality is critical to our shared goals of prosperity, stability, and peace, and why investing in women and girls worldwide is critical to advancing US foreign policy". Elevating women to equal standing internationally will help achieve greater peace and security. This can be seen in both developmental and economic factors, as just two examples among many. Built into American foreign policy is the idea that empowering women leads to greater international development due to their increased ability to maintain "the well-being of their families and communities, drive social progress, and stabilize societies." Female empowerment through economic investment, such as supporting their participation in the workforce, allows women to sustain their families and contribute to overall economic growth in their communities. Such principles must be propagated nationally and globally in order to increase the agency of women to achieve the necessary gender equality for international security.

There is much consideration within feminist international relations (IR) surrounding the importance of female presence to international security. The inclusion of women in discussions surrounding international cooperation increases the likelihood of new questions being asked that may not be given consideration in an otherwise masculine-dominated environment. As a renowned theorist within Feminist IR, J. Ann Tickner points out questions that women would likely be more inclined to ask in regards to war and peace. For example, why men have been the predominant actors in combat, how gender hierarchies contribute to the legitimation of war, and the consequences of associating women

with peace. In general, the main issue of concern to feminists within IR is why in political, social, and economic realms, femininity remains inferior to masculinity, as they see the effects of this transcendental hierarchy both nationally and internationally. Such considerations contribute significant perspective to the role that women play in maintaining peaceful conditions of international security.

Despite acknowledgment of the importance of recognizing women's role in maintaining international security by Clinton, Kerry, and conceivably many others, the fact remains that women are disproportionately presented as victims, rather than actors or leaders. This can be derived by looking at information and statistics presented in Joni Seager's book *The Penguin Atlas of Women in the World*. For example, in combat zones, women face heightened risks of sexual assault, and their familial responsibilities are complicated by reduced access to necessary resources. In terms of governmental presence, (to support their role as leaders), women have not yet achieved equal representation in any state, and very few countries have legislative bodies that are more than 25% female. While prominent female politicians are becoming more frequent, "women leaders around the world like those who become presidents or prime ministers or foreign ministers or heads of corporations cannot be seen as tokens that give everyone else in society the change to say we've taken care of our women". This statement by Clinton reiterates the necessity to confront such on-going challenges to female participation, making such issues pertinent to international security.

## **Human security**

Human security derives from the traditional concept of security from military threats to the safety of people and communities. It is an extension of mere existence (survival) to well-being and dignity of human beings. Human security is an emerging school of thought about the practice of international security. There is no single definition of human security, it varies from "a narrow term of prevention of violence to a broad comprehensive view that proposes development, human rights and traditional security together." Critics of the concept of human security claim that it covers almost everything and that it is too broad to be the focus of research. There have also been criticisms of its challenge to the role of states and their sovereignty.

Human security offers a critique of and advocates an alternative to the traditional state-based conception of security. Essentially, it argues that the proper referent for security is the individual and that state practices should reflect this rather than primarily focusing on securing borders through unilateral military action. The justification for the human security approach is said to be that the traditional conception of security is no longer appropriate or effective in the highly interconnected and interdependent modern world in which global threats such as poverty, environmental degradation, and terrorism supersede the traditional security threats of interstate attack and warfare. Further, state-interest-based arguments for human security propose that the international system is too interconnected for the state to maintain an isolationist international policy.

Therefore, it argues that a state can best maintain its security and the security of its citizens by ensuring the security of others. It is need to be noted that without the traditional security no human security can be assured.

## **UNDP human security proposal**

The 1994 UNDP Human Development Report (HDR) proposes that increasing human security entails:

- Investing in human development, not in arms;
- Engaging policy makers to address the emerging peace dividend;
- Giving the United Nations a clear mandate to promote and sustain development;
- Enlarging the concept of development cooperation so that it includes all flows, not just aid;
- Agreeing that 20 percent of national budgets and 20 percent of foreign aid be used for human development; and
- Establishing an Economic Security Council.

## **Military power**

Military power may refer to:

War might, as all means and methods of war available to a particular sovereign entity, capable of declaring and waging a war (polity, state, military alliance, etc.) Does not refer to armed

forces only, but to its mobilization potential, war-related segments of national economy and its military-industrial complex as well. The armed forces of a nation (in a narrow sense) or in the wider sense, the capabilities of a group such as a fire team, squad, etc. A great power, in a military context. Military power (jet engines), the maximum power setting of a military jet aircraft without the use of afterburners.

## **Terrorism**

Terrorism, in its broadest sense, describes the use of intentionally indiscriminate violence as a means to create terror or fear, in order to achieve a political, religious or ideological aim. It is used in this regard primarily to refer to violence against civilians or non-combatants.

The terms "terrorist" and "terrorism" have been used since the late 18th century, have gained popularity during the U.S. Presidency of Ronald Reagan (1981–89) and again after the attacks on New York in September 2001 and on Bali in October 2002.

Nevertheless, there is no commonly accepted definition of 'terrorism'. While several definitions agree that terrorism can or does consist in deliberately killing or trying to kill civilians, they disagree as to whether that violence should also aim at some political effect in order to qualify as 'terrorism': yes, said for example U.S. Professor Walzer in 2002 and says the United States Code since 1983; no, says for example the present law of



France and said UN Secretary General Kofi Annan in 2005. Another discrepancy between definitions is: do the killing targets need to be noncombatants, or is it enough if they are civilians?

Having the moral charge in our vocabulary of 'something morally wrong', the term 'terrorism' is often being used, both by governments and non-state-groups, to abuse or denounce opposite groups. Broad categories of political organisations have been claimed to have been involved in terrorism in order to further their objectives, including right-wing and left-wing political organisations, nationalist groups, religious groups, revolutionaries and ruling governments. Terrorism-related legislation has been adopted in various states, regarding "terrorism" as a crime. Debates are held over whether "terrorism" in some definition should be regarded as a war crime.

According to the Global Terrorism Database by the University of Maryland, College Park, more than 61,000 incidents of non-state terrorism, resulting in at least 140,000 deaths, have been recorded from 2000 to 2014.

## **Terminology**

The Latin verb *terrere* means: to frighten. The English word 'terror', just like the French *terreur*, derives from that Latin word and means from of old: fright, alarm, anguish, (mortal) fear, panic.

Oxford English Dictionary reportedly states that the word 'terrorist' (French: *terroriste*) was invented in the year 1794,

during the French Revolution. The first meaning of the word 'terrorist' was then: adherent or supporter of the Jacobins. Apparent from the context given in an article in *the Guardian*, the indication 'Jacobins' in that Oxford definition bears on the group around Maximilien Robespierre, also called 'Montagnards', that after 1794 were held responsible by some commentators for the repressive and violent government over France between June 1793 and July 1794, a period analogously labeled 'Reign of Terror' by commentators.

The given definition in Oxford Dictionary shows, the term 'terrorist' in its first use was meant as abusive term for someone's political or historical ideas or allegiances, not as description of his personal actions.

In December 1795, Edmund Burke used the word "Terrorists" in a description of the new French government called 'Directory': *"At length, after a terrible struggle, the [Directory] Troops prevailed over the Citizens (...) To secure them further, they have a strong corps of irregulars, ready armed. Thousands of those Hell-hounds called Terrorists, whom they had shut up in Prison on their last Revolution, as the Satellites of Tyranny, are let loose on the people."*

Clearly, in this case, Burke used 'Terrorists' as disparaging labeling of armed troops hired by a government he loathes.

French historian Sophie Wahnich distinguishes between the revolutionary terror of the French Revolution and the terrorists of the September 11 attacks:

Revolutionary terror is not terrorism. To make a moral equivalence between the Revolution's year II and September 2001 is historical and philosophical nonsense... The violence exercised on 11 September 2001 aimed neither at equality nor liberty. Nor did the preventive war announced by the president of the United States.

## **Definitions**

U.S. American political philosopher Michael Walzer in 2002 wrote: "Terrorism is the deliberate killing of innocent people, at random, in order to spread fear through a whole population and force the hand of its political leaders". This meaning can be traced back to Sergey Nechayev, who described himself as a "terrorist." Nechayev founded the Russian terrorist group "People's Retribution" (Народная расправа) in 1869.

In November 2004, a Secretary-General of the United Nations report described terrorism as any act "intended to cause death or serious bodily harm to civilians or non-combatants with the purpose of intimidating a population or compelling a government or an international organization to do or abstain from doing any act". Alternatively, responding to developments in modern warfare, Paul James and Jonathan Friedman distinguish between state terrorism against non-combatants and state terrorism against combatants, including 'Shock and Awe' tactics:

"Shock and Awe" as a subcategory of "rapid dominance" is the name given to massive intervention designed to strike terror into

the minds of the enemy. It is a form of state-terrorism. The concept was however developed long before the Second Gulf War by Harlan Ullman as chair of a forum of retired military personnel.

But defining terrorism has proven controversial. Various legal systems and government agencies use different definitions of terrorism in their national legislation. Moreover, the international community has been slow to formulate a universally agreed, legally binding definition of this crime. These difficulties arise from the fact that the term "terrorism" is politically and emotionally charged. In this regard, Angus Martyn, briefing the Australian parliament, stated,

The international community has never succeeded in developing an accepted comprehensive definition of terrorism. During the 1970s and 1980s, the United Nations attempts to define the term floundered mainly due to differences of opinion between various members about the use of violence in the context of conflicts over national liberation and self-determination.

These divergences have made it impossible for the United Nations to conclude a Comprehensive Convention on International Terrorism that incorporates a single, all-encompassing, legally binding, criminal law definition of terrorism. The international community has adopted a series of sectoral conventions that define and criminalize various types of terrorist activities. Since 1994, the United Nations General Assembly has repeatedly condemned terrorist acts using the following political description

of terrorism: Criminal acts intended or calculated to provoke a state of terror in the public, a group of persons or particular persons for political purposes are in any circumstance unjustifiable, whatever the considerations of a political, philosophical, ideological, racial, ethnic, religious or any other nature that may be invoked to justify them.

U.S. Code Section 2656f(d) defines terrorism as: "Premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents, usually intended to influence an audience".

Bruce Hoffman, an American scholar, has noted:

It is not only individual agencies within the same governmental apparatus that cannot agree on a single definition of terrorism. Experts and other long-established scholars in the field are equally incapable of reaching a consensus. In the first edition of his magisterial survey, 'Political Terrorism: A Research Guide,' Alex Schmid devoted more than a hundred pages to examining more than a hundred different definitions of terrorism in an effort to discover a broadly acceptable, reasonably comprehensive explication of the word. Four years and a second edition later, Schmid was no closer to the goal of his quest, conceding in the first sentence of the revised volume that the "search for an adequate definition is still on". Walter Laqueur despaired of defining terrorism in both editions of his monumental work on the subject, maintaining that it is neither possible to do so nor worthwhile to make the attempt.

Hoffman believes it is possible to identify some key characteristics of terrorism. He proposes that:

- By distinguishing terrorists from other types of criminals and terrorism from other forms of crime, we come to appreciate that terrorism is:
- ineluctably political in aims and motives;
- violent – or, equally important, threatens violence;
- designed to have far-reaching psychological repercussions beyond the immediate victim or target;

conducted either by an organization with an identifiable chain of command or conspiratorial cell structure (whose members wear no uniform or identifying insignia) or by individuals or a small collection of individuals directly influenced, motivated, or inspired by the ideological aims or example of some existent terrorist movement and/or its leaders; and perpetrated by a subnational group or nonstate entity.

A definition proposed by Carsten Bockstette at the George C. Marshall European Center for Security Studies, underlines the psychological and tactical aspects of terrorism:

Terrorism is defined as political violence in an asymmetrical conflict that is designed to induce terror and psychic fear (sometimes indiscriminate) through the violent victimization and destruction of noncombatant targets (sometimes iconic symbols). Such acts are meant to send a message from an illicit clandestine organization. The purpose of terrorism is to exploit the media in order to achieve maximum attainable publicity as an amplifying

force multiplier in order to influence the targeted audience(s) in order to reach short- and midterm political goals and/or desired long-term end states.

Each act of terrorism is a "performance" devised to affect many large audiences. Terrorists also attack national symbols, to show power and to attempt to shake the foundation of the country or society they are opposed to. This may negatively affect a government, while increasing the prestige of the given terrorist group and/or ideology behind a terrorist act.

Terrorist acts frequently have a political purpose. This is often where the inter-relationship between terrorism and religion occurs. When a political struggle is integrated into the framework of a religious or "cosmic" struggle, such as over the control of an ancestral homeland or holy site such as Israel and Jerusalem, failing in the political goal (nationalism) becomes equated with spiritual failure, which, for the highly committed, is worse than their own death or the deaths of innocent civilians.

Their suffering accomplishes the terrorists' goals of instilling fear, getting their message out to an audience or otherwise satisfying the demands of their often radical religious and political agendas.

Some official, governmental definitions of terrorism use the criterion of the illegitimacy or unlawfulness of the act. to distinguish between actions authorized by a government (and thus "lawful") and those of other actors, including individuals and small groups. For example, carrying out a strategic bombing

on an enemy city, which is designed to affect civilian support for a cause, would not be considered terrorism if it were authorized by a government. This criterion is inherently problematic and is not universally accepted, because: it denies the existence of state terrorism; the same act may or may not be classed as terrorism depending on whether its sponsorship is traced to a "legitimate" government; "legitimacy" and "lawfulness" are subjective, depending on the perspective of one government or another; and it diverges from the historically accepted meaning and origin of the term.

According to Ali Khan, the distinction lies ultimately in a political judgment.

An associated, and arguably more easily definable, but *not equivalent* term is violent non-state actor. The semantic scope of this term includes not only "terrorists", but while excluding some individuals or groups who have previously been described as "terrorists", and also explicitly excludes state terrorism.

U.S. president Barack Obama, commenting on the Boston Marathon bombings of April 2013, declared that "[a]nytime bombs are used to target innocent civilians, it is an act of terror". Various commentators have pointed out the distinction between "act of terror" and "terrorism", particularly when used by the White House. 18 U.S.C. § 2331 defines "international terrorism" and "domestic terrorism" for purposes of Chapter of the Code, entitled "Terrorism":



"International terrorism" means activities with the following three characteristics:

Involve violent acts or acts dangerous to human life that violate federal or state law; Appear to be intended (i) to intimidate or coerce a civilian population; (ii) to influence the policy of a government by intimidation or coercion; or (iii) to affect the conduct of a government by mass destruction, assassination, or kidnapping; and Occur primarily outside the territorial jurisdiction of the U.S., or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to intimidate or coerce, or the locale in which their perpetrators operate or seek asylum.

### **Pejorative use**

Having the moral charge in our vocabulary of 'something morally wrong', the term 'terrorism' is often being used to abuse or denounce opposite parties, either governments or non-state-groups.

Those labeled "terrorists" by their opponents rarely identify themselves as such, and typically use other terms or terms specific to their situation, such as separatist, freedom fighter, liberator, revolutionary, vigilante, militant, paramilitary, guerrilla, rebel, patriot, or any similar-meaning word in other languages and cultures. Jihadi, mujaheddin, and fedayeen are similar Arabic words that have entered the English lexicon. It is common for both parties in a conflict to describe each other as

terrorists. On whether particular terrorist acts, such as killing non-combatants, can be justified as the lesser evil in a particular circumstance, philosophers have expressed different views: while, according to David Rodin, utilitarian philosophers can (in theory) conceive of cases in which the evil of terrorism is outweighed by the good that could not be achieved in a less morally costly way, in practice the "harmful effects of undermining the convention of non-combatant immunity is thought to outweigh the goods that may be achieved by particular acts of terrorism". Among the non-utilitarian philosophers, Michael Walzer argued that terrorism can be morally justified in only one specific case: when "a nation or community faces the extreme threat of complete destruction and the only way it can preserve itself is by intentionally targeting non-combatants, then it is morally entitled to do so".

In his book *Inside Terrorism* Bruce Hoffman offered an explanation of why the term *terrorism* becomes distorted:

On one point, at least, everyone agrees: *terrorism* is a pejorative term. It is a word with intrinsically negative connotations that is generally applied to one's enemies and opponents, or to those with whom one disagrees and would otherwise prefer to ignore. 'What is called terrorism,' Brian Jenkins has written, 'thus seems to depend on one's point of view. Use of the term implies a moral judgment; and if one party can successfully attach the label *terrorist* to its opponent, then it has indirectly persuaded others to adopt its moral viewpoint.' Hence the decision to call someone or label some organization *terrorist* becomes almost unavoidably subjective, depending largely on whether one sympathizes with or

opposes the person/group/cause concerned. If one identifies with the victim of the violence, for example, then the act is terrorism. If, however, one identifies with the perpetrator, the violent act is regarded in a more sympathetic, if not positive (or, at the worst, an ambivalent) light; and it is not terrorism.

The pejorative connotations of the word can be summed up in the aphorism, "One man's terrorist is another man's freedom fighter". This is exemplified when a group using irregular military methods is an ally of a state against a mutual enemy, but later falls out with the state and starts to use those methods against its former ally. During World War II, the Malayan People's Anti-Japanese Army was allied with the British, but during the Malayan Emergency, members of its successor (the Malayan Races Liberation Army), were branded "terrorists" by the British. More recently, Ronald Reagan and others in the American administration frequently called the mujaheddin "freedom fighters" during the Soviet-Afghan War yet twenty years later, when a new generation of Afghan men were fighting against what they perceive to be a regime installed by foreign powers, their attacks were labelled "terrorism" by George W. Bush. Groups accused of terrorism understandably prefer terms reflecting legitimate military or ideological action. Leading terrorism researcher Professor Martin Rudner, director of the Canadian Centre of Intelligence and Security Studies at Ottawa's Carleton University, defines "terrorist acts" as unlawful attacks for political or other ideological goals, and said:

There is the famous statement: 'One man's terrorist is another man's freedom fighter.' But that is grossly misleading. It assesses the validity of the cause when terrorism is an act. One can have a perfectly beautiful cause and yet if one commits terrorist acts, it is terrorism regardless.

Some groups, when involved in a "liberation" struggle, have been called "terrorists" by the Western governments or media. Later, these same persons, as leaders of the liberated nations, are called "statesmen" by similar organizations. Two examples of this phenomenon are the Nobel Peace Prize laureates Menachem Begin and Nelson Mandela. WikiLeaks editor Julian Assange has been called a "terrorist" by Sarah Palin and Joe Biden.

Sometimes, states that are close allies, for reasons of history, culture and politics, can disagree over whether or not members of a certain organization are terrorists. For instance, for many years, some branches of the United States government refused to label members of the Provisional Irish Republican Army (IRA) as terrorists while the IRA was using methods against one of the United States' closest allies (the United Kingdom) that the UK branded as terrorism. This was highlighted by the *Quinn v. Robinson* case.

Media outlets who wish to convey impartiality may limit their usage of "terrorist" and "terrorism" because they are loosely defined, potentially controversial in nature, and subjective terms.

## **History**

Depending on how broadly the term is defined, the roots and practice of terrorism can be traced at least to the 1st-century AD. Sicarii Zealots, though some dispute whether the group, a radical offshoot of the Zealots which was active in Judaea Province at the beginning of the 1st century AD, was in fact terrorist. According to the contemporary Jewish-Roman historian Josephus, after the Zealotry rebellion against Roman rule in Judea, when some prominent Jewish collaborators with Roman rule were killed, Judas of Galilee formed a small and more extreme offshoot of the Zealots, the Sicarii, in 6 AD. Their terror was also directed against Jewish "collaborators", including temple priests, Sadducees, Herodians, and other wealthy elites.

The term "terrorism" itself was originally used to describe the actions of the Jacobin Club during the "Reign of Terror" in the French Revolution. "Terror is nothing other than justice, prompt, severe, inflexible," said Jacobin leader Maximilien Robespierre. In 1795, Edmund Burke denounced the Jacobins for letting "thousands of those hell-hounds called Terrorists... loose on the people" of France.

In January 1858, Italian patriot Felice Orsini threw three bombs in an attempt to assassinate French Emperor Napoleon III. Eight bystanders were killed and 142 injured. The incident played a crucial role as an inspiration for the development of the early terrorist groups. Arguably the first organization to utilize modern terrorist techniques was the Irish Republican Brotherhood,

founded in 1858 as a revolutionary Irish nationalist group that carried out attacks in England. The group initiated the Fenian dynamite campaign in 1881, one of the first modern terror campaigns. Instead of earlier forms of terrorism based on political assassination, this campaign used modern, timed explosives with the express aim of sowing fear in the very heart of metropolitan Britain, in order to achieve political gains.

Another early terrorist group was Narodnaya Volya, founded in Russia in 1878 as a revolutionary anarchist group inspired by Sergei Nechayev and "propaganda by the deed" theorist Pisacane. The group developed ideas—such as targeted killing of the 'leaders of oppression'—that were to become the hallmark of subsequent violence by small non-state groups, and they were convinced that the developing technologies of the age—such as the invention of dynamite, which they were the first anarchist group to make widespread use of—enabled them to strike directly and with discrimination. Modern terrorism had largely taken shape by the turn of the 20th century.

## **Types**

Depending on the country, the political system, and the time in history, the types of terrorism are varying.

In early 1975, the Law Enforcement Assistant Administration in the United States formed the National Advisory Committee on Criminal Justice Standards and Goals. One of the five volumes that the committee wrote was titled *Disorders and Terrorism*,

produced by the Task Force on Disorders and Terrorism under the direction of H. H. A. Cooper, Director of the Task Force staff.

The Task Force defines terrorism as "a tactic or technique by means of which a violent act or the threat thereof is used for the prime purpose of creating overwhelming fear for coercive purposes." It classified disorders and terrorism into six categories:

Civil disorder – A form of collective violence interfering with the peace, security, and normal functioning of the community.

Political terrorism – Violent criminal behaviour designed primarily to generate fear in the community, or substantial segment of it, for political purposes.

Non-Political terrorism – Terrorism that is not aimed at political purposes but which exhibits "conscious design to create and maintain a high degree of fear for coercive purposes, but the end is individual or collective gain rather than the achievement of a political objective."

Quasi-terrorism – The activities incidental to the commission of crimes of violence that are similar in form and method to genuine terrorism but which nevertheless lack its essential ingredient. It is not the main purpose of the quasi-terrorists to induce terror in the immediate victim as in the case of genuine terrorism, but the quasi-terrorist uses the modalities and techniques of the genuine terrorist and produces similar consequences and reaction. For example, the fleeing felon who takes hostages is a quasi-terrorist,

whose methods are similar to those of the genuine terrorist but whose purposes are quite different.

Limited political terrorism – Genuine political terrorism is characterized by a revolutionary approach; limited political terrorism refers to "acts of terrorism which are committed for ideological or political motives but which are not part of a concerted campaign to capture control of the state."

Official or state terrorism – "referring to nations whose rule is based upon fear and oppression that reach similar to terrorism or such proportions." It may also be referred to as Structural Terrorism defined broadly as terrorist acts carried out by governments in pursuit of political objectives, often as part of their foreign policy.

Other sources have defined the typology of terrorism in different ways, for example, broadly classifying it into domestic terrorism and international terrorism, or using categories such as vigilante terrorism or insurgent terrorism. One way the typology of terrorism may be defined:

- Political terrorism
- Sub-state terrorism
- Social revolutionary terrorism
- Nationalist-separatist terrorism
- Religious extremist terrorism
- Religious fundamentalist Terrorism
- New religions terrorism



- Right-wing terrorism
- Left-wing terrorism
- State-sponsored terrorism
- Regime or state terrorism
- Criminal terrorism
- Pathological terrorism

### **Motivations of terrorists**

Attacks on 'collaborators' are used to intimidate people from cooperating with the state in order to undermine state control. This strategy was used in Ireland, in Kenya, in Algeria and in Cyprus during their independence struggles.

Attacks on high-profile symbolic targets are used to incite counter-terrorism by the state to polarize the population. This strategy was used by Al-Qaeda in its attacks on the World Trade Center and the Pentagon in the United States on September 11, 2001. These attacks are also used to draw international attention to struggles that are otherwise unreported, such as the Palestinian airplane hijackings in 1970 and the South Moluccan hostage crisis in the Netherlands in 1975.

Abrahm suggests that terrorist organizations do not select terrorism for its political effectiveness. Individual terrorists tend to be motivated more by a desire for social solidarity with other members of their organization than by political platforms or strategic objectives, which are often murky and undefined. Additionally, Michael Mousseau shows possible relationships

between the type of economy within a country and ideology associated with terrorism. Many terrorists have a history of domestic violence.

Some terrorists like Timothy McVeigh were motivated by revenge against a state for its actions against its citizens.

Sylvie Vermeulen, practitioner psychotherapy, suggested that Islamic terrorists are unconsciously driven by a desire of revenge for their own circumcision.

## **Democracy and domestic terrorism**

The relationship between domestic terrorism and democracy is very complex. Terrorism is most common in nations with intermediate political freedom, and it is least common in the most democratic nations. However, one study suggests that suicide attacks may be an exception to this general rule. Evidence regarding this particular method of terrorism reveals that every modern suicide campaign has targeted a democracy—a state with a considerable degree of political freedom. The study suggests that concessions awarded to terrorists during the 1980s and 1990s for suicide attacks increased their frequency. There is a connection between the existence of civil liberties, democratic participation and terrorism. According to Young and Dugan, these things encourage terrorist groups to organize and generate terror.

Some examples of "terrorism" in non-democratic nations include ETA in Spain under Francisco Franco (although the group's

terrorist activities increased sharply after Franco's death), the Organization of Ukrainian Nationalists in pre-war Poland, the Shining Path in Peru under Alberto Fujimori, the Kurdistan Workers Party when Turkey was ruled by military leaders and the ANC in South Africa. Democracies, such as Japan, the United Kingdom, the United States, Israel, Indonesia, India, Spain, Germany and the Philippines, have also experienced domestic terrorism.

While a democratic nation espousing civil liberties may claim a sense of higher moral ground than other regimes, an act of terrorism within such a state may cause a dilemma: whether to maintain its civil liberties and thus risk being perceived as ineffective in dealing with the problem; or alternatively to restrict its civil liberties and thus risk delegitimizing its claim of supporting civil liberties. For this reason, homegrown terrorism has started to be seen as a greater threat, as stated by former CIA Director Michael Hayden. This dilemma, some social theorists would conclude, may very well play into the initial plans of the acting terrorist(s); namely, to delegitimize the state and cause a systematic shift towards anarchy via the accumulation of negative sentiments towards the state system.

## **Religious terrorism**

Terrorist acts throughout history have been performed on religious grounds with the goal to either spread or enforce a system of belief, viewpoint or opinion. The validity and scope of

religious terrorism is limited to an individual's view or a group's view or interpretation of that belief system's teachings.

According to the Global Terrorism Index by the University of Maryland, College Park, religious extremism has overtaken national separatism and become the main driver of terrorist attacks around the world. Since 9/11 there has been a five-fold increase in deaths from terrorist attacks. The majority of incidents over the past several years can be tied to groups with a religious agenda. Before 2000, it was nationalist separatist terrorist organisations such as the IRA and Chechen rebels who were behind the most attacks. The number of incidents from nationalist separatist groups has remained relatively stable in the years since while religious extremism has grown. The prevalence of Islamist groups in Iraq, Afghanistan, Pakistan, Nigeria and Syria is the main driver behind these trends.

Four of the terrorist groups that have been most active since 2001 are Boko Haram, Al Qaeda, the Taliban and ISIL. These groups have been most active in Iraq, Afghanistan, Pakistan, Nigeria and Syria. 80% of all deaths from terrorism occurred in one of these five countries.

In 2015, the Southern Poverty Law Center released a report on terrorism in the United States. The report (titled *The Age of the Wolf*) found that during that period, "more people have been killed in America by non-Islamic domestic terrorists than jihadists." The "virulent racist and anti-semitic" ideology of the ultra-right wing Christian Identity movement is usually

accompanied by anti-government sentiments. Adherents of Christian Identity believe that whites of European descent can be traced back to the "Lost Tribes of Israel" and many consider Jews to be the Satanic offspring of Eve and the Serpent. This group has committed hate crimes, bombings and other acts of terrorism. Its influence ranges from the Ku Klux Klan and neo-nazi groups to the anti-government militia and sovereign citizen movements. Christian Identity's origins can be traced back to Anglo-Israelism. Anglo-Israelism held the view that Jews were descendants of ancient Israelites who had never been lost. By the 1930s, the movement had been infected with anti-Semitism, and eventually Christian Identity theology diverged from traditional Anglo-Israelism, and developed what is known as the "two seed" theory. According to the two-seed theory, the Jewish people are descended from Cain and the serpent (not from Shem). The white European seedline is descended from the "lost tribes" of Israel. They hold themselves to "God's laws," not to "man's laws," and they do not feel bound to a government that they consider run by Jews and the New World Order.

Israel has also had problems with Jewish religious terrorism. Yigal Amir assassinated Israeli Prime Minister Yitzhak Rabin in 1995. For Amir, killing Rabin was an exemplary act that symbolized the fight against an illegitimate government that was prepared to cede Jewish Holy Land to the Palestinians.

## **Perpetrators**

The perpetrators of acts of terrorism can be individuals, groups, or states. According to some definitions, clandestine or semi-clandestine state actors may also carry out terrorist acts outside the framework of a state of war. However, the most common image of terrorism is that it is carried out by small and secretive cells, highly motivated to serve a particular cause and many of the most deadly operations in recent times, such as the September 11 attacks, the London underground bombing, 2008 Mumbai attacks and the 2002 Bali bombing were planned and carried out by a close clique, composed of close friends, family members and other strong social networks. These groups benefited from the free flow of information and efficient telecommunications to succeed where others had failed.

Over the years, much research has been conducted to distill a terrorist profile to explain these individuals' actions through their psychology and socio-economic circumstances. Others, like Roderick Hindery, have sought to discern profiles in the propaganda tactics used by terrorists. Some security organizations designate these groups as *violent non-state actors*. A 2007 study by economist Alan B. Krueger found that terrorists were less likely to come from an impoverished background (28% vs. 33%) and more likely to have at least a high-school education (47% vs. 38%). Another analysis found only 16% of terrorists came from impoverished families, vs. 30% of male Palestinians, and over 60% had gone beyond high school, vs. 15% of the populace. To avoid detection, a terrorist will look, dress, and

behave normally until executing the assigned mission. Some claim that attempts to profile terrorists based on personality, physical, or sociological traits are not useful. The physical and behavioral description of the terrorist could describe almost any normal person. However, the majority of terrorist attacks are carried out by military age men, aged 16–40.

### **Non-state groups**

Groups not part of the state apparatus or in opposition to the state are most commonly referred to as a "terrorist" in the media.

### **State sponsors**

A state can sponsor terrorism by funding or harboring a terrorist group. Opinions as to which acts of violence by states consist of state-sponsored terrorism vary widely. When states provide funding for groups considered by some to be terrorist, they rarely acknowledge them as such.

### **State terrorism**

Civilization is based on a clearly defined and widely accepted yet often unarticulated hierarchy. Violence done by those higher on the hierarchy to those lower is nearly always invisible, that is, unnoticed. When it is noticed, it is fully rationalized. Violence done by those lower on the hierarchy to those higher is unthinkable, and when it does occur it is regarded with shock, horror, and the fetishization of the victims.— *Derrick Jensen*

As with "terrorism" the concept of "state terrorism" is controversial. The Chairman of the United Nations Counter-Terrorism Committee has stated that the Committee was conscious of 12 international Conventions on the subject, and none of them referred to State terrorism, which was not an international legal concept. If States abused their power, they should be judged against international conventions dealing with war crimes, international human rights law, and international humanitarian law. Former United Nations Secretary-General Kofi Annan has said that it is "time to set aside debates on so-called 'state terrorism'. The use of force by states is already thoroughly regulated under international law". However, he also made clear that, "regardless of the differences between governments on the question of the definition of terrorism, what is clear and what we can all agree on is that any deliberate attack on innocent civilians [or non-combatants], regardless of one's cause, is unacceptable and fits into the definition of terrorism." State terrorism has been used to refer to terrorist acts committed by governmental agents or forces. This involves the use of state resources employed by a state's foreign policies, such as using its military to directly perform acts of terrorism. Professor of Political Science Michael Stohl cites the examples that include the German bombing of London, the Japanese bombing of Pearl Harbor, the British firebombing of Dresden, and the U.S. atomic bombing of Hiroshima during World War II. He argues that "the use of terror tactics is common in international relations and the state has been and remains a more likely employer of terrorism within the international system than insurgents." He also cites the first strike option as an example of the "terror of coercive



diplomacy" as a form of this, which holds the world hostage with the implied threat of using nuclear weapons in "crisis management" and he argues that the institutionalized form of terrorism has occurred as a result of changes that took place following World War II. In this analysis, state terrorism exhibited as a form of foreign policy was shaped by the presence and use of weapons of mass destruction, and the legitimizing of such violent behavior led to an increasingly accepted form of this behavior by the state.

Charles Stewart Parnell described William Ewart Gladstone's Irish Coercion Act as terrorism in his "no-Rent manifesto" in 1881, during the Irish Land War. The concept is also used to describe political repressions by governments against their own civilian populations with the purpose of inciting fear. For example, taking and executing civilian hostages or extrajudicial elimination campaigns are commonly considered "terror" or terrorism, for example during the Red Terror or the Great Terror. Such actions are also often described as democide or genocide, which have been argued to be equivalent to state terrorism. Empirical studies on this have found that democracies have little democide. Western democracies, including the United States, have supported state terrorism and mass killings, with some examples being the Indonesian killings of 1965–66 and Operation *Condor*.

## **Chapter 3**

# **The Role of the International Organisms in the Globalization Process**

## **Contemporary globalization – Conceptual determinations**

The tendency of economic globalization has its roots in the trauma of the the depression before World War II. American political elites (Council on Foreign Relations) became very careful to ensure that nothing similar will be repeated).

Globalization can be seen as a means or system of acceptance and adherence to global problems of mankind. The following global issues are considered pressing for mankind:

- The food crisis and underdevelopment,
- Huge military expenses,
- Inflation and financial - monetary crises
- Energy and raw materials,
- Rapid Population Growth and Environmental degradation.

In the vision the United Nations, the globalization of these issues over mankind is based on the uniqueness of the world economy and it is linked to the fact that they occur in almost all countries containing technical, social economical, political and ecological mutual elements that cause propagation in the chain of the effects that need combined efforts to be solved.

Globalization does not work by itself, but through economical - financial policies. These policies, as any subjective factors, can accurately reflect reality or may deviate from it.

Those who develop and apply these policies can only be major economical and financial power centers of the world created by these organizations to serve their interests (FMI, BM, OMC, etc.)

United Nations (UN) with specialized international institutions responsible for different segments of the globalization process must act democratically, with transparency, accountability, impartiality and respect for the law.

In this paper we present some critical points of view regarding the measures and actions of these institutions and also proposals to reform them.

Effectiveness of actions taken by the UN is not at the level expected by the member countries. Many developing countries consider that the UN can aspire to become global legislator (Arbitrator of globalization), which can impose a new world order. Many economic problems necessary for the world wait to be solved after various global problems.

World Trade Organization did not solve the problem of agricultural protectionism. Nordic countries in their policies block access to their markets to products originating in Southern countries. Also, the problem is aggravated by the agricultural excess of developed countries. Coping with the globalization will not be possible by increasing national protectionism.

Reforming the IMF requires modernizing and adoption of financial assistance and must be correlated with a new vision of the conditions imposed on debtor countries, because a misguided policy will deepen the national economic problems. Differences between U.S. and EU should not be ignored.

In the current context, the contemporary economy is approached as a block. States cannot exist in isolation, cannot live outside the network of relationships which are established at all levels. Therefore the world economy must be viewed as a system, as a whole composed of smaller or larger parts, more or less developed.

Economic globalization that characterizes today's economy, results mainly from transnational corporations and the large enthusiasm of resurgence regionalism obvious in Europe and in other parts of the world.

The term "globalization" has been developed to outline the realities of our world, namely: the internationalization of markets for goods and services and the emergence and proliferation of multinational companies concerned with the development of

comprehensive financial, manufacturing, marketing and management.

Globalization is the second largest component of the contemporary world economy, after establishing the new economic order. From the perspective of the first dimension, the new paradigm of economic order, involves shaping the two trends: business's globalization and revolutionizing the information technology.

The term "new economy" is often met, nowadays in economical studies. One of the most popular definition is: "the new economy is a broad concept that describes an economy where both the final product and its intermediate phases consists in information and where digital information, offers a worldwide access to all information available at one time. These new technologies are designed to potentiate the efficiency of conventional and traditional business practices and to facilitate the emergence of new processes and products.

Bari I., "Globalizarea Economiei", Editura Economica, Bucuresti, 2003, p.53

The main characteristics of the new economy are about cooperation and competition, the need for focusing on the customer needs, but also increasing consumption of human intelligence and creativity that results in a higher added value, new jobs, the reduction of resource consumption, growth of labor productivity. Analyzing the new world order we cannot overlook the occult side of this reality that brings in the spotlight the

military and economic actions of the main power centers (the "Group Bilderberg", "Illuminati", "Masonry") that use the instruments of the global financial institutions, imposing their own rules in order to dominate humanity.

In other news, new world order is the intersection of three contemporary phenomena: globalization, information revolution and the economic war.

"Globalization" is a term first introduced in a (Webster) dictionary in the year 1961; 30 years later it became part of the daily language as an obsessive word.

Professor Dinu Marin defines the concept of globalization as "the process of functioning of the global economy, which, in the global society, has become able to create global decision structures meant to solve global problems" 10 myths have appeared in relation to this process, which the critics have transformed into reality. Richard D. Mc. Carmich formulated the following globalization myths:

It is a conspiracy of the transnational corporations against the small countries:

- It concentrates the power over the market in the hands of those who direct a small number of huge corporations;
- The evil genius of globalization is the information technology;

- Globalization means “companies escaping the control of the law”;
- Globalization determines the decrease in the number of jobs;
- Globalization undermines cultural diversity;
- Through globalization, the work conditions standards decrease, resulting in the workers being turned into a sort of slaves;
- Globalization destroys the environment;
- Globalization involves the prosperity of the multinational companies at the expense of the consumers and of the small companies.
- The American Initiative on behalf of the economic globalization has been built on two premises:
- Preservation of the existing capitalist system in the U.S., allowing the access to a lot of resources and global markets.
- The spread of the American economic model (consumer-oriented market economy) worldwide.

A fundamental problem of the contemporary society is the report national - international in the economic field. Globalization is seen as a moment (stage) in the process of globalization in which the main actor is the multinational company, so as an expansion in the international market of production factors, greater mobility of the capital, a considerable increase in international investment and financial flows. Globalization is profitable for multinational corporations who integrate in their own networks international production systems. Ensuring the economic

development moves to a new level "the global market economy" while the insurance of the well-being of nations remains the same within the national area.

Globalization of world economy seems to carry on without rules in the last 20 years. The global unilateralism affirmed in the U.S. in its foreign policy immediately after the collapse of the Berlin wall worried the elites in the former socialist countries, now members of the European Union.

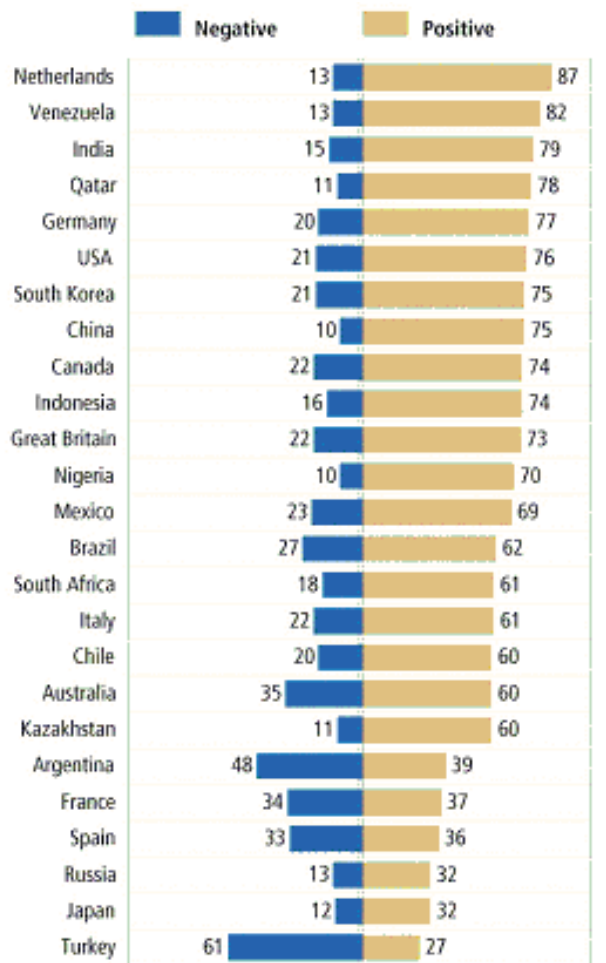
It is necessary that developing countries emerge in order to implement measures to mitigate the negative effects of a harsh globalization without rules that can generate planetary crisis, social anarchy.

Large multinational corporations see the State as a barrier to globalization as an anachronic economic actor and not as a regulatory authority and organisms of social cohesion.

State must remain the main actor on the world stage, as globalization is not only an alibi for the various forms of imperialism. The State must remain the place where democracy is exercised, the pillar of social cohesion and solidarity.

Also, globalization is not compatible with sustainable development. Globalization deepens the gap between the rich and the poor.





\*Globalization was defined as the increased trade between countries in goods and services and investment

Fig. Effects of globalizations on Respondent and familiy

Globalization is a complex phenomenon, raising a large number of problems as soon as we try to find and give it a unanimously accepted definition. So, in time, the scientists and the public's opinion did not reach a common definition.

This is why we will continue by presenting a few definitions given to this term:

“A process of surmounting limitations created by history. For this reason, it is synonymous with erosion (but not with disappearance) of the sovereignty of nation states and depicts a “detachment” of the market economy from moral norms and institutionalized connections between the societies;

- The “quantitative and qualitative intensification of the transactions that go over the limit imposed by frontiers, concomitantly to their spatial expansion”;
- “An increased interdependence and integration of the different world economies”.
- The “intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa”.
- “The largest economic and social shift since the Industrial Revolution”;
- “A process of increase in the number of connections between societies and problem domains”;
- “The unchaining of the world market powers and the weakening of the state’s economic power”;
- “The dynamics of globalization is driven by economic forces, but its most important consequences can be seen in politics”.

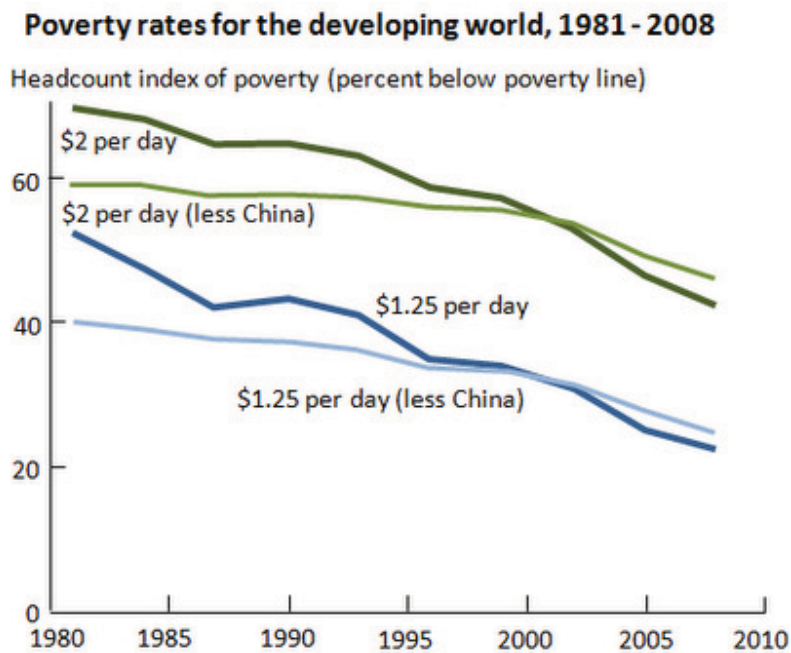


Fig. Poverty rates for the developing world, 1981 – 2008

## **The evolution of globalization**

In our opinion, the globalization can be defined as a process of increasing interdependence of nation states by the growth of transnational ties in various spheres of economical, political, social and cultural life. So, the basic criterion of defining globalization is the increasing interdependence in the various sectors of the socio-political and economical life.

The concept of interdependence takes a variety of meanings depending on the motivations of those who employ it.

For us, interdependence is a mutually advantageous relationship between companies in different countries and / or national economies in a well defined legal framework.

Robert Gilpin defines this term as "a mutual dependence, though not equal", not accepting many of the so-called political and economical consequences. So, the benefits of interdependence are sometimes expressed by zero-sum or nonzero sum.

When we talk about the evolution of globalization we think about the presentation of the most significant moments in the history of this phenomenon. What could the evolution of globalization refer to?

In general economic terms, we could say that its purpose is the analysis of the history of the interstate commerce growth, based on stable institutions authorizing certain organisms to exchange goods more easily.

The first globalization era is often considered to be the period when gold defined the economic standard. Relying on the post-1815 British expansion and the goods exchange for cash, this first stage developed along with the industrialization.

David Ricardo and J.B. Say are among those who, through their works, provided the theoretical framework needed for the expansion of this incipient period of globalization. In their works on comparative advantage and the general law of the markets, the two authors uphold the idea that countries will trade efficiently and that the imbalances between demand and offer on the market will only be transitory and will adjust themselves.

About 150 years ago, David Ricardo considered that the comparative advantage is an application of the principle of

specialization and exchange between firms, regions, nations. In his opinion each individual, firm, region or nation will have to win if they specialize in the production of those goods and services costing little and if they exchange them for products costing more.

From a chronological perspective, the globalization process appears as follows:

Stage 1 – it is comprised between 1400 and 1750, being called “the primary stage”, and witnesses geographic discoveries, colonization and the appearance of transcontinental trading exchanges.

Stage 2 – the interval 1750-1880, also known as the “incipient stage”; it is characterized by the formation of unitary states and the development of trading relations and the signing of the first agreements in the domain of international trading relations.

Stage 3 – comprised between 1880 and 1925, it is also called “the stage of development” when the manufactured production developed, the means of transport evolved, the international trading as well as the population migration intensified and the multinational organizations took shape.

Stage 4 - 1920 – 1927 when the great state powers crystallize and the worldwide organizations and institutions develop.

Stage 5 started at the end of the 20 century, being characterized by the intensification of regionalization and integration, but also by the strong development of multinational corporations.

“The first globalization era” is divided into two distinct stages:

- The first stage lasts until the end of the 1920s and the beginning of the 1930s.
- The second stage begins after 1930, lasting until the Second World War.

After the Second World War, a second globalization age has been outlined. During this period, globalization was guided by negotiations, during a first stage under the stipulations of the GATT.

This stage is much more “aggressive” than the first, if we analyze the world organisms appeared immediately after 1949, when three great international economic organizations took shape: FMI, BIRD and GATT.

During the present period, globalization is developing under the influence of three categories of factors:

- The increase of the international exchange area through the integration of new states from South America, Central and Eastern Europe and Eastern Asia.
- The development of exchanges, especially in the domain of services.

- The globalization of the organizations able to integrate their activities, especially their research-development, supply and trading, on a world scale.
- Globalization is a complex process, which, as one can see from what has been previously outlined, has manifested its symptoms beginning a very long time ago.
- In his work “Lexus and the Olive Tree”, Friedman approaches globalization as that form of war that replaced the Cold War.

Both the Cold War and globalization are systems characterized by a unifying feature, actually diametrically opposite for each of them, and by a symbol: the wall in the case of the Cold War and the web for globalization. In the case of the Cold War, the unifying feature was the division in time, while for globalization this feature is unification. In 1975, the Cold War reached its climax: only 8 % of the world countries had liberal, democratic regimes, characterized by freedom of the market, and the direct foreign investments were, according to the World Bank, of \$23 billion.

In 2009, the countries with a full democracy represented 18 %, those with a degraded democracy - 29 %, hybrid regimes - 21 % and the rest were authoritarian regimes. In contradiction with the Cold War, globalization has its own dominant culture, concretized in the ample extension of Americanization. Some economists divide the history of mondialisation into three stages:

The internationalization related to the development of the goods and services exports flows;

- The transnationalization of the direct investment flows and the implantation of the large organizations abroad;
- The implementation of the world production and information networks, leading to a better combination and rationalization of the corporate activity in the worldwide economic area.

So, by the beginning of the 20 century, globalization became chronic, engulfing more and more states of the contemporary world. In the year 2000, the classification of the most globalized economies, established according to the A.T. Kearey index, situates the following states on the first ten places:

According to the Globalization Index elaborated by Ernst & Yang, in collaboration with the Economist Intelligence Unit (EIU) in the year 2010, Hong-Kong is the economy with the highest globalization level from a number of 60 states under analysis.

Singapore, the holder of the First Prize in 2009, is on the third place, while Ireland moved from the third position to the second, during just one year. The place of Spain is unchanged, by comparison to the previous year, while Romania occupies the 30 position, being defeated by Bulgaria but in front of Italy, which holds the 31<sup>st</sup> rank, and in front of Greece, which is situated on the 35<sup>th</sup> position. This index measures and tracks down the performance of the 60 largest world economies in relation to diverse indexes from the following categories: openness to the



exterior, movement of capital, technology and idea exchange, labor force mobility and cultural integration.

In the modern globalization era, beside the classification of the most globalized countries, there is also a hierarchy of the most globalized cities. In order to establish the positions in this top, five criteria are analyzed for each city in turn, namely: economical activity, human capital, information exchange, cultural experience and juridical cooperation.

On the level of the year 2010, the first positions were occupied, in order, by: New York, London and Tokyo. Except for these, on the first ten positions, there were: Paris, Hong-Kong, Chicago, Los Angeles, Singapore, Seoul and Sydney. We can notice that four out of the ten most globalized cities are situated in Asia. As far as the cities of Europe are concerned, Moscow was situated on the 25<sup>th</sup> place, being preceded by London, Paris, Brussels, Berlin, Madrid, Vienna, Stockholm, Frankfurt and Zurich.

The outline of the contemporary globalization is largely shaped by the economical-financial crisis that has affected the entire world, with few exceptions. In this situation, globalization no longer appears as a phenomenon either so implacable or so irreversible or so American. In 2008, Thomas Friedman said, of course talking about the USA, that “we no longer need a financial salvation package, we need moral salvation”.

We need to reestablish the basic balance between our markets, morals and regulations. I do not want to kill the wild spirit required to move capitalism forward, but I do not want to be torn

apart by it either. Sure, there are some globalization aspects that are irreversible, such as the transnationality of technologies or communications.

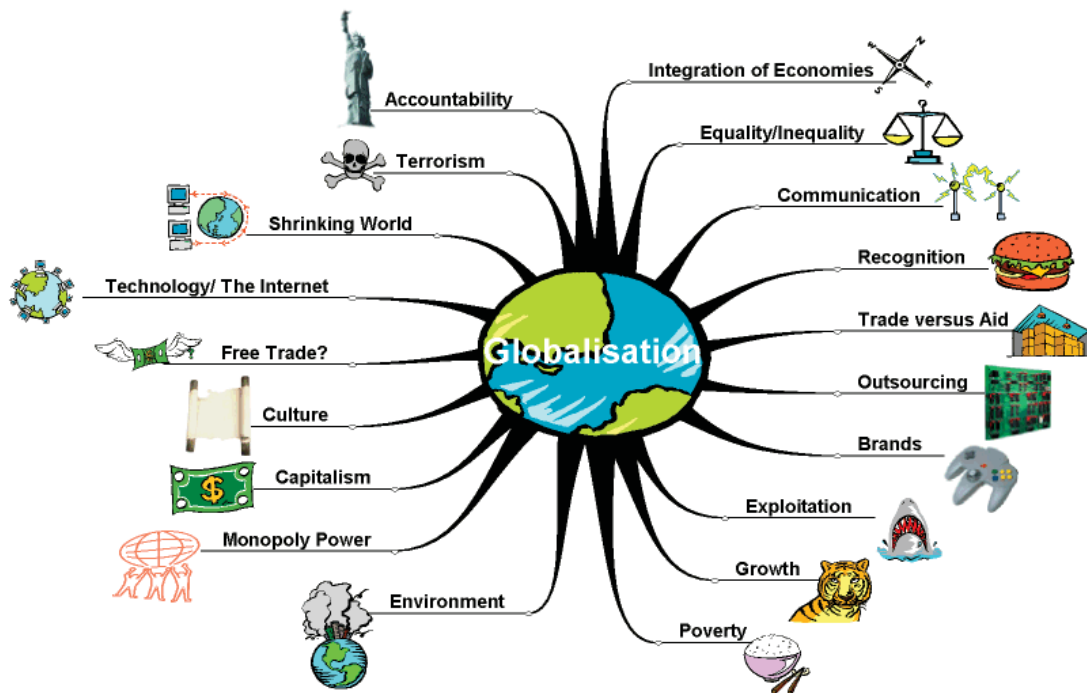


Fig. Globalization map

Yet, there are also reversible aspects, of an economic and cultural nature. What Asia brings now to the forefront in these realities are models containing different rules, confirming once again the syntagm “cash is king“. China is more stable than the USA, and the jobs, the production and the revenues are here now.

As shown in the last 20 years, globalization has brought to the countries of the world more disadvantages than advantages. For example:

- unfair distribution of benefits of globalization, the number of losers being greater than the number of winners;
- undermining the national sovereignty by passing the control of national economies of the countries from the hands of governments in the hands of powerful states, global corporations and international organizations;
- deepening regional and global instability as a result of economic crisis transmission from one country to another.

The main connections of the global economy with the international monetary-financial system result from the operational credit-financing operations, discount operations and liquidities regulation operations. The IMF and the WB group are notorious international financial-monetary authorities, built on the basis of global-scale concession, called to govern the dynamics and balance of the international financial monetary system.

The lack of cohesion in the political decisions worldwide and the difficulty of the global cooperation approach given by the heterogeneity of the actors involved led the two organisms to go further and further from the reason of their creation, arriving by the end of the 20<sup>th</sup> century not just outside the dialogue with the system of the United Nations, but also outside the dialogue with parallel organisms and even with its own members. The institution of the International Monetary Fund was created in 1945 through the provisions of the Bretton Woods agreement, as

a specialized financial-monetary organism of the United Nations System, responsible at first for the good functioning of the Gold Exchange Standard.

The main responsibilities assumed by its status refer to:

- The promotion of an international monetary cooperation and the goal of assuring a harmonious evolution in the international trade;
- The promotion of a stable exchange rate system, while respecting the engagements assumed by its members;
- Permanent assistance concerning the establishment and the coherent functioning of the multilateral payment system established among its members;
- Maintaining the climate of trust in the policies of the institution, by permanently availing temporary resources to the members in order to balance the current balances of payments;

Preventing and diminishing the negative effects determined by the unbalances able to affect the fund members' international balances of payments.

The central pillar of the World Bank Group, namely BIRD (the International Bank for Reconstruction and Development) was created in 1945 simultaneously with the IMF and became functional in 1947. The initial goal of BIRD was to support the post-war reconstruction and later on to promote the development of its member states. The World Bank is oriented towards economic assistance programs, development programs, and

structural adjustment programs meant to fight poverty. In relation to the World Bank, the IMF represents the primordial institution as specialization and responsibility sphere in connection to the international financial monetary system – by its configuration and the arbitration of its functional architecture.

The IMF's main functions concern the specific processes of cooperation, assistance, information, supervision and intervention concerning the institutions of the international monetary-financial system.

Gradually, as both of these institutions got involved increasingly and steadily in finding solutions to reduce the debts of the developing countries, their activities partially overlapped.

So, in time, the World Bank shifted its attention from financing projects to the program for economic reform; the IMF gave more attention to the structural reform along with its traditional activity concerning the adjustment of the balance of payments.

So, the main directions of action of the two institutions refer to the mechanisms of macroeconomic stabilization and to their direct involvement in international economic problems.

The confusions related to the delimitation of responsibilities between IMF and the World Bank until 1999 are notorious. Following the IMF's repeated failures to stabilize the crisis in SE Asia (1997) and the crisis in Russia (1998), the specialized political economic forums have drawn an alarm signal about the

mismanagement of their responsibilities, considering at a certain moment even the choice of their dissolution.

The insufficient or even defective involvement of these two international organisms into the global problems has drawn criticism and reform recommendations. The IMF is called to support - from the position of analyst and consultant - the macroeconomic condition in relation to the quality of the monetary regime and the structure of the balance of national payments from the perspective of the monetary and budgetary policy of its member states.

The IMF is criticized for its market fundamentalism and the absolutization of its monetary network, the administrative recipe for all the countries with different problems that have appealed to the financial aid instruments. The IMF has given more attention to the aspects related to inflation, balance of payments, exchange rate policies, neglecting the aspects related to the real political, economical and social indicators.

The low interest concerning the negative economic and social effects of the application of the principle of conditionalities worsened the effects felt by the member states in the process of globalization of the capital flows. Today, the developing countries no longer trust the policies and the strategies of the international institutions.

Beyond the specific functional laws of the market economy, in the approach of the IMF or WB policies there are multiple variables encompassing all the five essential dimensions of the national

regional or international balance, namely: the economic plan, the monetary-financial plan, the social plan, the political plan and the cultural one.

It has been noticed that the countries that assumed eventual sanctions by acting against the measures required by the IMF managed to rehabilitate their economy much faster (e.g.: Malaysia), compared to other countries that were technically subordinated to the monetarist networks of the IMF.

The financial crisis of Asia (1997-1998) began with the crisis of Thailand and then it generalized to all the countries in the region.

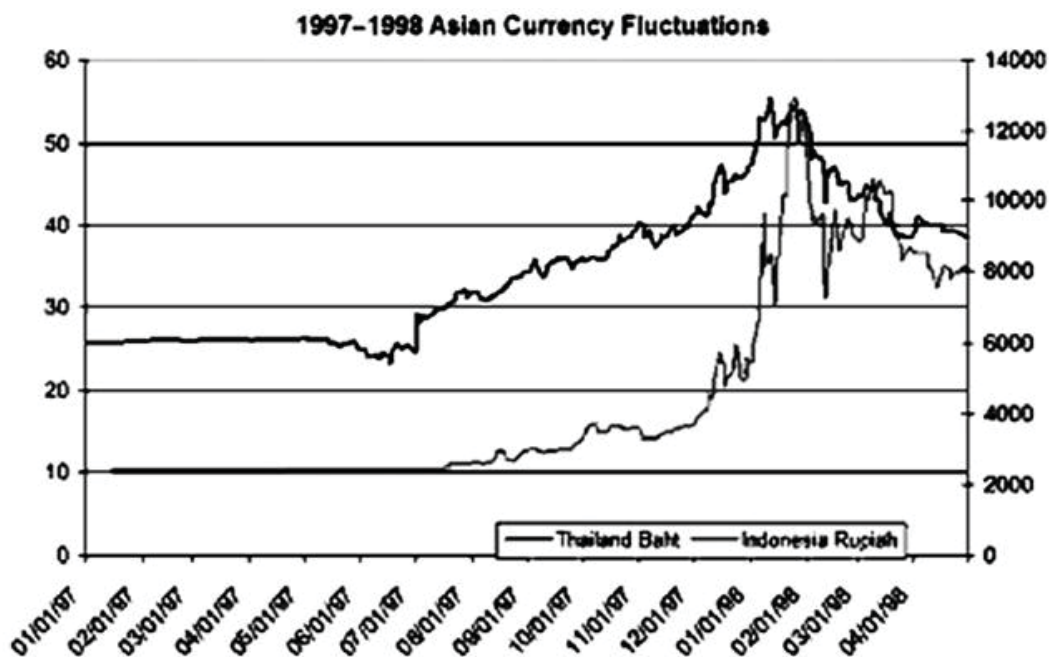


Fig. Asian Crisis Price Action

The basic cause of this crisis is also the crediting expansion, which led to the development of certain entrepreneurship programs. The effects were some of the most difficult for these countries, for instance: Korea's GDP in 1998 decrease to 33% of the GDP of the year 1997 and in Indonesia the GDP / inhabitant went down by 44% in 1998 compared to the previous year. Some specialists analyzed the losses appeared following the financial crises, beginning with the year 1980 and until 2002 (the crisis in Japan). The losses were quantified as ratio of the respective country's GDP.

Table: Cost of the financial crises

Country	Year	Cost (% GDP)
Argentina	1980 -1982	55%
Argentina	1995	2%
Mexico	1995 – 1997	14%
Brazil	1995 – 2000	5 – 10%
Chile	1981 – 1983	41%
Cote d'Ivoire	1988 – 1991	25%
China	1990	47%
Indonesia	1997 – 1999	50 – 60%
Korea	1997 – 1999	15%
Thailand	1997 – 1999	24%
Malaysia	1997 – 1999	10%
Philippines	1998 – 2000	7%
Russia	1998	5 - 7%
Spain	1971 – 1985	17%



*International Politics and Cold War*

Finland	1991 – 1993	8 - 10%
Norway	1998 – 1992	4%
Sweden	1991 – 1993	4 - 5%
USA	1984 – 1991	5 - 7%
Japan	1990 – 2002	17 - 20%
Israel	1971 – 1983	30%

The years 2000 culminate with the greatest financial crisis in the economic history, more serious by far than the well-known 1929 crisis. The actual crisis, which began in 2007, in the USA, is a subject of controversy as far as the causes of its appearance are concerned: this topic was debated quite a lot, and the different potential causes highlighted by the specialists of the economic, political and social environment, theorists and practitioners, were submitted to a detailed analysis.

Starting from the idea according to which the losses non-recorded by a nation will be found on the level of a third winning country, the world economy needs a promoter of equitable productive grounds and specific legislations concerning the output and the comparative advantage.

At present, the financial market has the following features:

The capital market acquires the most important role in the general picture of the international financial market, and it is closely connected to the international currency market;

The international financial economy has detached itself from the real economy. Money as a symbol of fortune and as an instrument for payments has value in itself and is traded as such. The positive consequences of this evolution is the birth of new financial assets, the creation of new jobs, while the negative consequences consist in the fact that the symbolical economy may evolve aberrantly, its crises triggering the occurrence of crises in the real economy as well;

The domination of the market by the great institutional investors (mutual funds, retirement and insurance companies);

The increasingly volatile interest and exchange rates often lead to the increase of the financing cost;

There has been a shift from an economy of endebtment to a speculative economy, dominated by the primacy of the financing of speculative operations. The volume of the speculative operations represents about 90% of the total volume of the financial operations;

The financial markets of different financial products are intricately interconnected, the specialists being faced with serious difficulties when it comes to understanding the multitude of connections presented among them and to evaluate the effects triggered;

In the international financial system, there is a high aggregated risk.

The IMF and the World Bank have contributed to deepening the dependency of the underdeveloped states of the world economy, and then to opening their economies to the corporatist colonization.

“There are, normally, two ways of making money without producing value; one is creating debts and the other is overbidding the assets’ value. The world financial system uses both of these ways to make money without producing any value”.

Joseph Stiglitz, an Economics Nobel laureate, has criticized the IMF programs. The IMF country networks have failed. In the East, Poland has respected its contract, and now it is doing bad. The same has happened to the Romanians, mentioning that they were not consistent in respecting the stand-by agreements. The IMF prescription condemns the patients to crisis. The IMF along with the World Bank and the WTO are poor globalization managers.

It is the poor countries that have to bear the troubles. Governments need the IMF for a good image on the international capital markets, but also in order to balance their budgetary deficit. The program claimed by the IMF pursues: privatization, liberalization of the capital markets, price liberalization and trade liberalization. Using the conditions imposed by the World Bank to grant credits, governments rush to privatize the companies to the national disadvantage, but with personal advantages. Multinational corporations can buy local industries cheaply, benefiting of: fiscal facilities, free areas, small salaries,

and end up by totally controlling certain economic branches. As far as the foreign capital is concerned, it is oriented towards estate and currency speculations, and at the appearance of the slightest sign of economic crisis it withdraws, affecting the global economy (for example, the crisis in Mexico).

Price liberalization means blowing up the prices for foods and public utilities. In the case of trade liberalization, local producers are forced to compete, to their disadvantage, with international producers. In some countries, trade liberalization has triggered bankruptcy and unemployment.

“Huge world corporations control and manage the world’s money, technology and markets, acting only based on profit, without taking into account any human, national and local considerations”.

During the last more than two years, the world has gone through the most significant economic and financial crisis in its history. The globalization process has not been stopped; on the contrary, it has taken forms and features induced by today’s world phenomena, especially as most developed countries are in a more difficult situation compared to the emerging countries, which have continued to go through a period of economic growth.

So, in the year 2012, globalization can be regarded as an “orphan” cause, to a certain extent, as the governments have set as a priority the national interests over the international ones. We will witness the developed countries’ repeated attempts to recuperate their losses of economic and political power.

The emerging countries will desire stronger positions in a new economic and political world order, positions able to correlate their wish to reality, increased access to global decisions with their economic and financial power accumulated during the last few years.

Recent opinions have asked for an “improved multilateralism”, as IMF and a World Bank acquired “renewed” statuses. Walking out from the crisis will require extremely high financial resources, and the solutions of the IMF or of other international financial institutions could become more efficient only if these organisms avail themselves of enough resources in the long run.

If the world were to realize a transition from the crumbling institutions of the Bretton Woods system towards a more stable international order, then the problems discussed as fundamental themes in the international political economy should obligatorily be solved.

“In the future the key issue for the IMF and the World Bank needs to be the acceptance of the fact that they play an inevitable political role.” Neither is a technocracy without engagements. They both need to improve their openness and transparency, and they both have to become more responsible towards the poor countries, which represent their main clients.

Although countries are obviously unequal in what concerns power, globalization has to bring benefits both to the poor countries and to the rich ones, and the international financial

institutions will be despised and irrelevant if they do not become responsible in front of all their members.

## **The role of the World Trade Organization in the globalization process**

The WTO has gone too far encouraging the trade liberalization, which triggered the incapacity to get the labor and environmental norms to be respected, determining the countries to lift their protectionist barriers.

The Generalized System of Preferences (GSP) mechanism for developing countries and the changes proposed by the EU in this respect have not functioned. Through their agricultural policies, the rich countries block the access on their markets for the products coming from the poor countries. This represents a hindrance for the latter.

For many poor countries, agriculture represents one of the few domains in which their enterprises are competitive (Fellous, 2006). Over 50 developing countries realize  $\frac{1}{4}$  of their GDP out of their exports of agricultural products. Lacking the possibility to export agricultural products on the European, American, Japanese markets, these poor countries have few chances of having recourse to the technology imports that are so necessary for their development.

The issue of agricultural protectionism has been aggravated by the agricultural excedents of the rich countries. The artificial

European excedents put pressure on the international markets, contribute to the decrease of the prices of the agricultural products and consequently reduce the earnings of these developing countries.

In these countries, where hundreds of millions of people have an income under 1 Euro/day, the consequences of a cut in the exports' prices can make the difference between life and death.

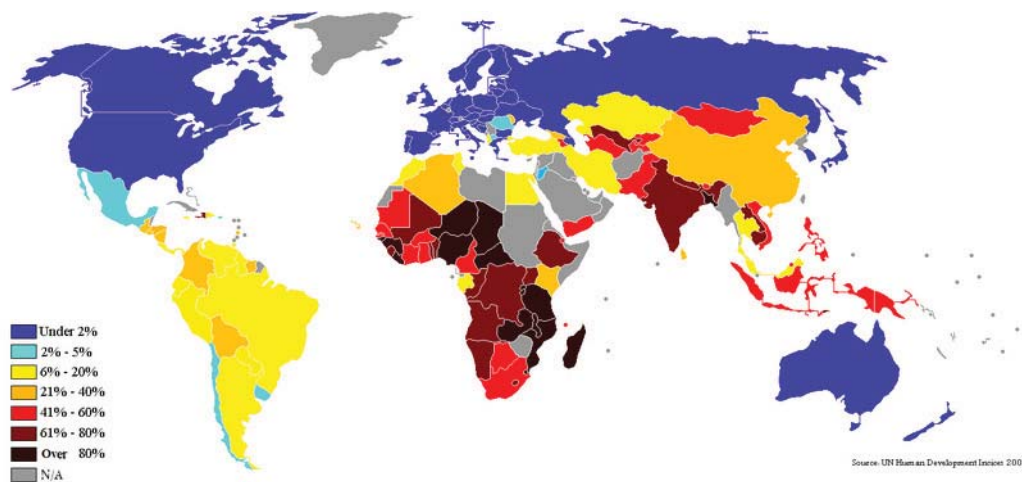


Fig. Percentage population living on less than \$2 per day

There is a flagrant contradiction between the official declarations putting at the forefront the need to help the poor countries and these countries' agricultural policies. For the developing economies, the WTO has triggered nothing else but negative consequences. So far, the WTO has not attained the fundamental goals put down in its status, namely to increase prosperity for all its members and to realize full employment. On the contrary, in the North-South relations, WTO has favored the neocolonialist tendencies of its rich members, allowing for an unprecedented

richness transfer from the poorest countries to the richest countries. The USA conceived and promoted the trade liberalization system, yet they had recourse to protectionism when their own interests were at stake. While strong economies have recourse to protectionism for one product or the other depending on their specific interests, the developing economies are forced to open without conditions, bearing the consequences.

The developing countries realize that they need to react together and are able to resist the decisions that are detrimental to their interests. Some countries that have reacted within the WTO are: Brazil, Mexico, India, Egypt, South Africa.

Many of the provisions of the WTO agreements are presented as necessary to assure the efficient functioning of the competitive markets.

However, the WTO did nothing to limit the capacity of the transnational corporations to use their economic power to eliminate their competitors using unjust means, forming strategic alliances with their rivals to share production facilities, technology and markets. The WTO has requested the government's intervention for the protection of the corporate monopoly rights on information and technology.

Extremely dangerous is the extension by means of the WTO of the right to international protection for patents, genetic materials, including seeds and natural medicines. The corporatist colonialism is by no means a consequence of some inescapable



historical forces. It is the consequence of conscious options based on the pursuit of an elitist interest.

This elitist interest has been closely allied to the corporatist one in the promotion of the economic deregulation and globalization. Trade globalization has become possible due to the liberalization of the circulation of goods worldwide and to the rapid development in communications and informatics.

The development of the trading capacity needs to be supported by the rich countries using debt reduction and technology transfer policies. The trading rules should allow the developing and poor countries to protect certain sectors of their national economy. The developing countries need concrete national policies, giving them the opportunity to participate to the development of the external trade, access to credits and a favorable taxation system.

After the Second World War, the successive rounds of certain economic negotiations from the General Agreement on Tariffs and Trade (GATT) led to an important decrease of the tariff-related barriers and to the development of the world trade. Later on, the balance between the forces of liberalization and those of the economic nationalism began to deteriorate; towards the middle of the 1970s, the economic nationalism managed to lean the balance in the direction contrary to the trade liberalization and the growth slowed down.

In the 1980s, the extension of protectionism affected more and more the nature of the trading system and the international location of the production worldwide.

The WTO replaced the GATT on 01.01.1995. Its main goal is the liberalization of the international trade, by abolishing the tariff and non-tariff obstacles to trading. The WTO is the only organization establishing the rules of operation in international trading and has adopted the GATT's fundamental principles. These principles are:

- Non-discriminating commerce:
- The most favored nation; treating the others equally;
- National treaty; equal treatment for nations and foreigners
- A freer trade by means of negotiations and of “progressive liberalization”.
- The possibility to consolidate the bonds when the countries decide to open their markets for goods and services.
- Developing a fair competition based on a system of norms meant to acquire a free, fair competition, free of distorts (misrepresentations).
- Economic growth and development by supporting economic reforms.

The power of negotiation of each of the 135 WTO member states finally depends on their importance, and that is why the three biggest economic powers, USA, EU and Japan can impose their goals and their will.

The WTO agreements, which were negotiated and signed by most of the countries taking part in the world trade, constitute the

WTO core. These documents establish fundamental juridical norms that have to be “transparent” and “predictable”.

The WTO agreements are intense and complex because they refer to juridical texts that approach a large array of activities, such as:

- agriculture;
- textiles;
- banking services;
- telecommunications;
- public contracts;
- industrial norms;
- rules concerning food health;
- intellectual property.

Disagreements are solved in the WTO by means of an impartial procedure, based on a convened juridical ground. When a contestation concerning a local or national law is brought before the WTO, the parties to the dispute present the case during a secret hearing in front of a commission made up of three experts in the domain of trading (generally jurists).

The burden of proof is placed upon the defendant. He has to show that the respective law does not constitute a trading restriction, according to the General Agreement on Tariffs and Trade (WTO). If a commission decides that an internal law is a violation of the WTO rules, it can recommend that the accused country change its law or face financial penalties, trading

sanctions or both. The states trying to provide a preferential treatment to local investors at the expense of the foreign ones or which do not protect the rights of intellectual property of the foreign companies can face charges. National interests are no longer valid grounds for the national laws under the WTO regime. The interests of the international trade, which are first of all the interests of the transnational corporations, go to the forefront.

The world standards concerning health and food security in the WTO are elaborated by a group known as Codex Alimentarius Commission, or CODEX. The critics of CODEX have noticed that it is profoundly influenced by the industry and it tends to balance the standards by lowering them.

### **The United Nations' directions of action**

The eradication of the world poverty and the reduction of the great gaps between the world's rich and the world's poor have become the crucial problems of this century, representing the source of the most dangerous political, economic and social conflicts possible, which can endanger the international stability. The solution to these problems does not have to do only with the allotment of more material and financial resources.

The world economy has grown at unprecedented paces during the last 50 years, the global world product increasing seven times over, yet global poverty has not decreased and the gaps continue to grow even deeper. The main cause are the rules governing the market functioning, which have always generated and

permanently generate social polarization – the accumulation of the richness in the hands of a minority and the perpetuation of the poverty for the largest part of the masses. This rule has functioned nationally even since the incipient stage of the primitive capital accumulation and has now extended on a planetary level, in the context of the globalization of the world economy.

Remedies are necessary therefore to limit these effects of the market. Nationally, it is the states' role to promote such remedies. An example of efficient measures has been given by the West European states, which have promoted, after the Second World War, the concept of social market economy and have realized the social European model.

The problem is the following: who should promote such remedies on the level of the world economy?! The UN and its specialized institutions have not availed themselves of such tools. These issues have also been debated during several world summits because they have become present preoccupations of the world community.

In the spring of 2002 at the Monterey summit dedicated to the financing of the programs meant to fight against poverty, the French president Jacques Chirac launched the proposition of the creation of a UN Economic and Social Security Council to deal with such problems.

Supporting the essence of this proposal, but taking into account the difficulties related to its promotion, which would suppose the

modification of the UN Charter, we have proposed the use of the existing institutions, namely the transformation of the ECOSOC (Economic and social council), which is a consultative UN organ, into a coordinating organism, which together with the IMF, the World Bank, the World Trade Organization and the International Labor Organization, should constitute a Forum entrusted with the mission to elaborate a strategy promoting certain remedies for the functioning of the world market, introducing commercial and fiscal rules in favor of the developing countries and pursuing the goal of reducing in time the worldwide economic and social development gaps.

In the activity of the United Nations Organization, the economic issues have acquired a special importance, attaining proportions never foreseen by the Charter.

The economic function of the UN concomitantly comprises debates, studies, the conceptualization and the determination of the main directions in the domain of the world economy. At the same time, the institutional framework meant for international economic collaboration has amplified and the decision-making methods have improved.

At the UN, as well, there is a tendency to promote the concept of globalism, which designates the need to approach the world economy problems using an overall vision, in a world of continued increase of the economic independence in which the realization of a collective economic security is becoming a must. The national sovereignty and the non-interference in the internal

affairs of States are consecrated in the international law and in the international organization. The international law and the international organization constitute an important part of the political reality because they influence the way in which States behave. States are interested in the international law for two reasons: anticipation and legitimacy.

Can globalization be implemented without the creation of supranational coordinating organisms? Some analysts, among which John Kenneth Galbraith, answer affirmatively to this question; they form the sovereignists' camp, while others answer negatively to this question, forming the supranationalists' trend.

What mankind needs today is not just any globalization, but a globalization with a human face, namely one in which the benefits of globalization should be divided equitably among nations internationally and among people nationally.

In order to set globalization on the values of equity and social justice, what is needed is reforms and new rules of conduct in the global governance organizations, IMF, WB and WTO.

The world economy is faced with the first recession of the globalization era. "Today, there is no similar system supervising the world globalization process. We have global governance, without having a global government. In exchange, for the last 50 years, we have had a system of institutions such as WB, IMF and WTO, which are responsible for different segments of the process, development, trade, financial stability. The way in which these

economic organizations are led comes from the way in which they developed throughout the years: non-democratically, non-transparently, depending on the great interests, at the expense of the poor countries”.

The governments accuse globalization for the loss of the national sovereignty triggered by the unrestrained growth of the force of the financial markets and of the multinational companies.

The problem raised at present is related to the reform of the international organizations, so as to serve not only the rich and the developed industrialized countries, but also the poor and the less developed countries.

The IMF and the World Bank were at the center of the major economic problems of the last two decennia, which also include the financial crises and the transition of the former communist states to the market economy. In its relations to a particular country, the IMF was conceived so as to limit itself to the macroeconomic issues: state budget deficit, monetary policy, inflation, trade deficit, contract-related policy for credits coming from external sources.

The World Bank was meant to deal with structural problems – what the government of the respective country spent money on, the country’s financial institutions, the labor force market, trading policies.

We can certainly affirm that not only did the IMF not fulfill its initial mission of promoting global stability, but it also did not



have any more success either in the new missions it undertook, such as the coordination of the former communist countries' transition to the market economy.

The WTO needs to adopt decisions having for a goal the facilitation of the penetration on the international market of certain firms from the developing countries which have potential and prove that they have the capacity to align themselves to certain standards imposed by the international organizations for a determined period of time.

In order for this goal to become reality, it is necessary that the WTO along with the other international organizations should plead for the adoption and implementation of decisions in favor of the Southern countries, such as the allotment of non-reimbursable funds and loans under more advantageous conditions, giving specialized technical assistance in order to instruct managers for an efficient resource allotment and for the adoption of policies and strategies allowing the attainment of the proposed goals.

In this sense, the developed countries should provide the developing countries with effective technologies and equipments under advantageous conditions, should assure the necessary specialized technical and financial assistance so that the countries of the South may be capable of exploiting the raw materials that they have and of using the abundant and relatively cheap labor force available. The economic policies elaborated in Washington by the international economic institutions and their

application in the developed countries were not adequate for the countries going through the first stages of their development or through their transition. Most of the advanced industrialized countries have created solid economies for themselves by selectively protecting some of their activity branches until they were strong enough to face the competition of the foreign companies.

The worldwide practice has demonstrated that obliging a developing country to open its market to import products that would compete with those realized by certain branches of its national economy triggered disastrous social and economic consequences. Jobs systematically went missing, the poor farmers of the developing countries simply could not face the competition of the products supported by strong subventions coming from Europe or the USA, before the industry and agriculture of these countries were able to develop and create new jobs.

Because of the IMF's insistence that the developing countries should continue to apply restrictive monetary policies, the interest rates reached levels that made it impossible to create new jobs, even under the most favorable conditions. Because trade liberalization was realized before taking the necessary social protection measures, those who lost their jobs became poor, while those who did not lose their jobs had a strong feeling of insecurity. So, much too often, liberalization was followed not by the promised economic growth but by the increase of poverty.

The decisions of a certain institution normally reflect the conceptions and the interests of those who make them.

The disappointment related to actions undertaken under the guidance of the IMF has grown as the poor of Indonesia, Morocco or Papua-New Guinea benefit of increasingly lower subventions for fuel and food, those of Thailand see the AIDS spreading because of the health expense cuts imposed by the IMF, and the families of many developing countries, having to pay the schooling of their children as part of the so-called "cost recovery" programs, choose not to send them to school anymore.

One might wonder if the IMF is really needed today. It is the UN that should be conceived so as to help the countries develop their interactions, should facilitate these interactions and should make them function efficiently in a multilateral system.

A constantly divergent dimension in the discussions on the notion of system reform refers to the centralization-decentralization dilemma. The realization of the international cooperation tasks on the scale and magnitude demanded by the Charter, in such diverse domains would not have been possible on a centralized level. The international action in the economic and social domains depends on the active participation and complementary action of the national authorities in each domain.

They can operate by means of a direct association with the international partners, so decentralization is an objective need. The role of the international organizations in the occurrence of financial stability consists in:

- Operating prudently in promoting the liberalization of capital;
- Describing conditions for its acceptance by individual countries;
- Avoiding too restrictive macroeconomic policies and structural adjustment policies that have not proved their efficiency;
- Ending the global monopoly of the International Monetary Fund.

The UN has an indispensable role in preventing and mitigating the consequences of the conflicts, not just by its actions in the strict sphere of the peace-keeping operations or other military and security actions but also by all its others preoccupations, such as the promotion of sustainable development, the respect for human rights and the development of the international law.

The UN does not only have to pursue the increase of its own role in this direction, but it also needs to stimulate the mobilization of the resources of the international financial institutions in common projects.

Unfortunately, at present one cannot speak about the existence of a world organization able to significantly reduce the inequalities between the countries of the North and the countries of the South, governing according to its own rules, without being influenced by the governments of the most industrialized countries. We need important reforms of the existing world organizations or even the disappearance of the existing ones and

the creation of new institutions able to apply the laws objectively, to adopt decisions, strategies and plans, serving the interests of the whole world and not just the interests of the main industrialized countries, able to “listen” to the problems of each country in turn, to adopt specific measures for each of them, to find solutions as adequate and as close to reality as possible. The pressures exerted by globalization on the economy and on the lives of the people of our planet are felt more and more intensely.

At the same time, we should “transform the terrible economic crisis into an opportunity of launching a new era of sustainability”. Development and sustainability are the goals of the “model of capitalism of the 21<sup>st</sup> century”.

The United Nations Environment Program has developed a new concept: A Green New Deal (UNEP, 2008), representing a program of public investments in infrastructure and technology, by means of which the countries can assure the rehabilitation of their economy, can keep the unemployment rate under control and, in the long run, can obtain competitive advantages.

In other words, everything that was considered true until now has become outdated. The state’s strong intervention is not the only way to overcome the financial crisis, yet with a new practice of the concept of sustainable development, it should become reality.

The sustainable development concept was created more 22 years ago and it has been accepted and adopted in almost all the international institutions.

A fact that should not be forgotten is that the European Union, the main promoter of the environmental protection measures, renewed its sustainable development strategy in 2006, its main instruments being: the institution for regulation and modernization, a new fiscal philosophy and an improved subvention structure. Moreover, the end of 2008 brought forth the adoption of the European economic restoration plan, aiming to “create jobs in the EU in the short run and in the long run, providing the first engine that creates advantage and brings benefits in terms of economic growth, energy security and environment”.

The increasing unemployment, social polarization, corruption and violence, even in the context of economic growth and maximization of the great companies' profits, trigger deregulations on a world scale, which maintain a condition of insecurity and distrust concerning tomorrow.

More and more of the countries that sold their public enterprises to the private sector and deregulated their market have become the property of the great multinational groups. They dominate entire countries in the South, and they use these countries in order to exert their pressure in the international forums and to obtain the political decisions that are the most favorable to their interests.

These economic globalization phenomena and this concentration of capitals both in the South and in the North, destroy social cohesion. In the context of globalization, the national economies

have to survive by avoiding the destruction of their balances. Resources should be used in an economical and non-polluting way, primarily valorizing the local ones.

Each state should harmoniously integrate its local cultural and artisanal traditions in projects of zonal and regional development and should affirm its identity according to its natural resources potential, to its productive capacity, and its cultural matrix, valorizing the trumps available to it.

Another aspect would be the acute need to regulate the interstate economic relations, to organize an institutional cooperation tool able to contribute to a balanced evolution of the world economy.

## **Chapter 4**

# **Cold War and International Politics**

## **Russian Revolution**

The **Cold War** was a period of geopolitical tension between the United States and the Soviet Union and their respective allies, the Western Bloc and the Eastern Bloc, which began following World War II. Historians do not fully agree on its starting and ending points, but the period is generally considered to span the 1947 Truman Doctrine (12 March 1947) to the 1991 Dissolution of the Soviet Union (26 December 1991). The term "cold" is used because there was no large-scale fighting directly between the two superpowers, but they each supported major regional conflicts known as proxy wars. The conflict was based around the ideological and geopolitical struggle for global influence by these two superpowers, following their temporary alliance and victory against Nazi Germany in 1945. Aside from the nuclear arsenal development and conventional military deployment, the struggle for dominance was expressed via indirect means such as psychological warfare, propaganda campaigns, espionage, far-reaching embargoes, rivalry at sports events and technological competitions such as the Space Race. The Western Bloc was led by the United States as well as the other First World nations of the Western Bloc that were generally liberal democratic but tied



to a network of the authoritarian states, most of which were their former colonies. The Eastern Bloc was led by the Soviet Union and its Communist Party, which had an influence across the Second World. The US government supported right-wing governments and uprisings across the world, while the Soviet government funded communist parties and revolutions around the world. As nearly all the colonial states achieved independence in the period 1945–1960, they became Third World battlefields in the Cold War.

The first phase of the Cold War began shortly after the end of the Second World War in 1945. The United States created the NATO military alliance in 1949 in the apprehension of a Soviet attack and termed their global policy against Soviet influence *containment*. The Soviet Union formed the Warsaw Pact in 1955 in response to NATO. Major crises of this phase included the 1948–49 Berlin Blockade, the 1927–1949 Chinese Civil War, the 1950–1953 Korean War, the 1956 Hungarian Revolution, the 1956 Suez Crisis, the Berlin Crisis of 1961 and the 1962 Cuban Missile Crisis. The US and the USSR competed for influence in Latin America, the Middle East, and the decolonizing states of Africa and Asia.

Following the Cuban Missile Crisis, a new phase began that saw the Sino-Soviet split between China and the Soviet Union complicate relations within the Communist sphere, while France, a Western Bloc state, began to demand greater autonomy of action. The USSR invaded Czechoslovakia to suppress the 1968 Prague Spring, while the US experienced internal turmoil from

the civil rights movement and opposition to the Vietnam War. In the 1960s–70s, an international peace movement took root among citizens around the world. Movements against nuclear arms testing and for nuclear disarmament took place, with large anti-war protests. By the 1970s, both sides had started making allowances for peace and security, ushering in a period of détente that saw the Strategic Arms Limitation Talks and the US opening relations with the People's Republic of China as a strategic counterweight to the USSR. A number of self-proclaimed Marxist regimes were formed in the second half of the 1970s in the Third World, including Angola, Mozambique, Ethiopia, Cambodia, Afghanistan and Nicaragua.

Détente collapsed at the end of the decade with the beginning of the Soviet–Afghan War in 1979. The early 1980s was another period of elevated tension. The United States increased diplomatic, military, and economic pressures on the Soviet Union, at a time when it was already suffering from economic stagnation. In the mid-1980s, the new Soviet leader Mikhail Gorbachev introduced the liberalizing reforms of *glasnost* ("openness", c. 1985) and *perestroika* ("reorganization", 1987) and ended Soviet involvement in Afghanistan. Pressures for national sovereignty grew stronger in Eastern Europe, and Gorbachev refused to militarily support their governments any longer.

In 1989, the fall of the Iron Curtain after the Pan-European Picnic and a peaceful wave of revolutions (with the exception of Romania and Afghanistan) overthrew almost all communist governments of the Eastern Bloc. The Communist Party of the

Soviet Union itself lost control in the Soviet Union and was banned following an abortive coup attempt in August 1991. This in turn led to the formal dissolution of the USSR in December 1991, the declaration of independence of its constituent republics and the collapse of communist governments across much of Africa and Asia. The United States was left as the world's only superpower.

The Cold War and its events have left a significant legacy. It is often referred to in popular culture, especially with themes of espionage and the threat of nuclear warfare.

At the end of World War II, English writer George Orwell used *cold war*, as a general term, in his essay "You and the Atomic Bomb", published 19 October 1945 in the British newspaper *Tribune*. Contemplating a world living in the shadow of the threat of nuclear warfare, Orwell looked at James Burnham's predictions of a polarized world, writing:

Looking at the world as a whole, the drift for many decades has been not towards anarchy but towards the reimposition of slavery... James Burnham's theory has been much discussed, but few people have yet considered its ideological implications—that is, the kind of world-view, the kind of beliefs, and the social structure that would probably prevail in a state which was at once unconquerable and in a permanent state of "cold war" with its neighbours. In *The Observer* of 10 March 1946, Orwell wrote, "after the Moscow conference last December, Russia began to make a 'cold war' on Britain and the British Empire."

The first use of the term to describe the specific post-war geopolitical confrontation between the Soviet Union and the United States came in a speech by Bernard Baruch, an influential advisor to Democratic presidents, on 16 April 1947. The speech, written by a journalist Herbert Bayard Swope, proclaimed, "Let us not be deceived: we are today in the midst of a cold war." Newspaper columnist Walter Lippmann gave the term wide currency with his book *The Cold War*. When asked in 1947 about the source of the term, Lippmann traced it to a French term from the 1930s, *la guerre froide*.

While most historians trace the origins of the Cold War to the period immediately following World War II, others argue that it began with the October Revolution in Russia in 1917 when the Bolsheviks took power. In World War I, the British, French and Russian Empires had composed the Allied Powers from the start, and the U.S. joined them in April 1917. The Bolsheviks seized power in Russia in November 1917 and fulfilled their promise to withdraw from WWI, and German armies advanced rapidly across the borderlands. The Allies responded with an economic blockade against all of Russia. In early March 1918, the Soviets followed through on the wave of popular disgust against the war and accepted harsh German peace terms with the Treaty of Brest-Litovsk. In the eyes of some Allies, Russia now was helping Germany to win the war by freeing up a million German soldiers for the Western Front and by relinquishing much of Russia's food supply, industrial base, fuel supplies, and communications with Western Europe. According to historian Spencer Tucker, the Allies felt, "The treaty was the ultimate betrayal of the Allied

cause and sowed the seeds for the Cold War. With Brest-Litovsk the specter of German domination in Eastern Europe threatened to become reality, and the Allies now began to think seriously about military intervention," and proceeded to step up their "economic warfare" against the Bolsheviks. Some Bolsheviks saw Russia as only the first step, planning to incite revolutions against capitalism in every western country, but the need for peace with Germany led Soviet leader Vladimir Lenin away from this position.

In 1918 Britain provided money and troops to support the anti-Bolshevik "White" counter-revolutionaries. This policy was spearheaded by Minister of War Winston Churchill, a committed British imperialist and anti-communist. France, Japan and the United States invaded Russia in an attempt to topple the new Soviet government. Despite the economic and military warfare launched against it by Western powers, the Bolshevik government succeeded in defeating all opposition and took full control of Russia, as well as breakaway provinces such as Ukraine, Georgia, Armenia, and Azerbaijan.

Western powers also diplomatically isolated the Soviet government. Vladimir Lenin stated that the Soviet Union was surrounded by a "hostile capitalist encirclement" and he viewed diplomacy as a weapon to keep Soviet enemies divided. He set up an organization to promote sister revolutions worldwide, the Comintern. It failed everywhere; it was crushed when it tried to start revolutions in Germany, Bavaria, and Hungary. The failures led to an inward turn by Moscow.

Britain and other Western powers—except the United States—did business and sometimes recognized the new Soviet Union. By 1933, old fears of Communist threats had faded, and the American business community, as well as newspaper editors, were calling for diplomatic recognition. President Franklin D. Roosevelt used presidential authority to normalize relations in November 1933. However, there was no progress on the Tsarist debts Washington wanted Moscow to repay. Expectations of expanded trade proved unrealistic. Historians Justus D. Doenecke and Mark A. Stoler note that, "Both nations were soon disillusioned by the accord." Roosevelt named William Bullitt as ambassador from 1933 to 1936. Bullitt arrived in Moscow with high hopes for Soviet-American relations, but his view of the Soviet leadership soured on closer inspection. By the end of his tenure, Bullitt was openly hostile to the Soviet government, and he remained an outspoken anti-communist for the rest of his life.

In the late 1930s, Stalin had worked with Foreign Minister Maxim Litvinov to promote popular fronts with capitalist parties and governments to oppose fascism. The Soviets were embittered when Western governments chose to practice appeasement with Nazi Germany instead. In March 1939 Britain and France—without consulting the USSR—granted Hitler control of much of Czechoslovakia at the Munich Agreement. Facing an aggressive Japan at Soviet borders as well, Stalin changed directions and replaced Litvinov with Vyacheslav Molotov, who negotiated closer relations with Germany. After signing the Molotov-Ribbentrop Pact and German-Soviet Frontier Treaty, the Soviet Union forced the Baltic countries—Estonia, Latvia, and Lithuania—to allow it

to station Soviet troops in their countries. Finland rejected territorial demands, prompting a Soviet invasion in November 1939. The resulting Winter War ended in March 1940 with Finnish concessions. Britain and France, treating the Soviet attack on Finland as tantamount to its entering the war on the side of the Germans, responded to the Soviet invasion by supporting the USSR's expulsion from the League of Nations.

In June 1940, the Soviet Union forcibly annexed Estonia, Latvia, and Lithuania. It also seized the disputed Romanian regions of Bessarabia, Northern Bukovina, and Hertza. But after the German Army invaded the Soviet Union in Operation Barbarossa in June 1941 and declared war on the United States in December 1941, the Soviet Union and the Allied powers worked together to fight Germany. Britain signed a formal alliance and the United States made an informal agreement. In wartime, the United States supplied Britain, the Soviet Union and other Allied nations through its Lend-Lease Program. However, Stalin remained highly suspicious, and he believed that the British and the Americans had conspired to ensure that the Soviets bore the brunt of the fighting against Germany. According to this view, the Western Allies had deliberately delayed opening a second anti-German front in order to step in at the last minute and shape the peace settlement. Thus, Soviet perceptions of the West left a strong undercurrent of tension and hostility between the Allied powers.

## **End of World War II (1945–1947)**

The Allies disagreed about how the European map should look, and how borders would be drawn, following the war. Each side held dissimilar ideas regarding the establishment and maintenance of post-war security. Some scholars contend that all the Western Allies desired a security system in which democratic governments were established as widely as possible, permitting countries to peacefully resolve differences through international organizations. Others note that the Atlantic powers were divided in their vision of the new post-war world. Roosevelt's goals—military victory in both Europe and Asia, the achievement of global American economic supremacy over the British Empire, and the creation of a world peace organization—were more global than Churchill's, which were mainly centered on securing control over the Mediterranean, ensuring the survival of the British Empire, and the independence of Central and Eastern European countries as a buffer between the Soviets and the United Kingdom.

The Soviet Union sought to dominate the internal affairs of countries in its border regions. During the war, Stalin had created special training centers for communists from different countries so that they could set up secret police forces loyal to Moscow as soon as the Red Army took control. Soviet agents took control of the media, especially radio; they quickly harassed and then banned all independent civic institutions, from youth groups to schools, churches and rival political parties. Stalin



also sought continued peace with Britain and the United States, hoping to focus on internal reconstruction and economic growth.

In the American view, Stalin seemed a potential ally in accomplishing their goals, whereas in the British approach Stalin appeared as the greatest threat to the fulfillment of their agenda. With the Soviets already occupying most of Central and Eastern Europe, Stalin was at an advantage, and the two western leaders vied for his favors.

The differences between Roosevelt and Churchill led to several separate deals with the Soviets. In October 1944, Churchill traveled to Moscow and proposed the "percentages agreement" to divide Europe into respective spheres of influence, including giving Stalin predominance over Romania, Hungary, and Bulgaria and Churchill *carte blanche* over Greece. This proposal was accepted by Stalin. At the Yalta Conference of February 1945, Roosevelt signed a separate deal with Stalin regarding Asia and refused to support Churchill on the issues of Poland and Reparations. Roosevelt ultimately approved the percentage agreement, but there was still apparently no firm consensus on the framework for a post-war settlement in Europe.

At the Second Quebec Conference, a high-level military conference held in Quebec City, 12–16 September 1944, Churchill and Roosevelt reached agreement on a number of matters, including a plan for Germany based on Henry Morgenthau Jr.'s original proposal. The memorandum drafted by Churchill provided for "eliminating the warmaking industries in

the Ruhr and the Saar... looking forward to converting Germany into a country primarily agricultural and pastoral in its character." However, it no longer included a plan to partition the country into several independent states. On 10 May 1945, President Truman signed the US occupation directive JCS 1067, which was in effect for over two years and was enthusiastically supported by Stalin. It directed the US forces of occupation to "...take no steps looking toward the economic rehabilitation of Germany".

Some historians have argued that the Cold War began when the US negotiated a separate peace with Nazi SS General Karl Wolff in northern Italy. The Soviet Union was not allowed to participate and the dispute led to heated correspondence between Franklin Roosevelt and Stalin. Wolff, a war criminal, appears to have been guaranteed immunity at the Nuremberg trials by Office of Strategic Services (OSS) commander and future CIA director Allen Dulles when they met in March 1945. Wolff and his forces were being considered to help implement Operation Unthinkable, a secret plan to invade the Soviet Union which Winston Churchill advocated during this period.

In April 1945, President Roosevelt died and was succeeded by Vice President Harry S. Truman, who distrusted Stalin and turned for advice to an elite group of foreign policy intellectuals. Both Churchill and Truman opposed, among other things, the Soviets' decision to prop up the Lublin government, the Soviet-controlled rival to the Polish government-in-exile in London, whose relations with the Soviets had been severed.

Following the Allies' May 1945 victory, the Soviets effectively occupied Central and Eastern Europe, while strong US and Western allied forces remained in Western Europe. In Germany and Austria, France, Britain, the Soviet Union and the United States established zones of occupation and a loose framework for parceled four-power control.

The 1945 Allied conference in San Francisco established the multi-national United Nations (UN) for the maintenance of world peace, but the enforcement capacity of its Security Council was effectively paralyzed by the ability of individual members to exercise veto power. Accordingly, the UN was essentially converted into an inactive forum for exchanging polemical rhetoric, and the Soviets regarded it almost exclusively as a propaganda tribune.

### **Potsdam Conference and surrender of Japan**

At the Potsdam Conference, which started in late July after Germany's surrender, serious differences emerged over the future development of Germany and the rest of Central and Eastern Europe. The Soviets pressed their demand made at Yalta, for \$20 billion of reparations to be taken from Germany occupation zones. The Americans and British refused to fix a dollar amount for reparations, but they permitted the Soviets to remove some industry from their zones. Moreover, the participants' mounting antipathy and bellicose language served to confirm their suspicions about each other's hostile intentions and to entrench

their positions. At this conference Truman informed Stalin that the United States possessed a powerful new weapon.

The US had invited Britain into its atomic bomb project but kept it secret from the Soviet Union. Stalin was aware that the Americans were working on the atomic bomb, and he reacted to the news calmly. One week after the end of the Potsdam Conference, the US bombed Hiroshima and Nagasaki. Shortly after the attacks, Stalin protested to US officials when Truman offered the Soviets little real influence in occupied Japan. Stalin was also outraged by the actual dropping of the bombs, calling them a "superbarbarity" and claiming that "the balance has been destroyed...That cannot be." The Truman administration intended to use its ongoing nuclear weapons program to pressure the Soviet Union in international relations.

Following the war, the United States and the United Kingdom used military forces in Greece and Korea to remove indigenous governments and forces seen as communist. Under the leadership of Lyuh Woon-Hyung, working secretly during the Japanese occupation, committees throughout Korea formed to coordinate the transition to Korean independence. Following the Japanese surrender, on August 28, 1945, these committees formed the temporary national government of Korea, naming it the People's Republic of Korea (PRK) a couple of weeks later. On September 8, 1945, the United States government landed forces in Korea and thereafter established the United States Army Military Government in Korea (USAMGK) to govern Korea south of the 38th parallel north. The USAMGK outlawed the PRK government.

The military governor Lieutenant-General John R. Hodge later said that "one of our missions was to break down this Communist government." Thereafter, starting with President Syngman Rhee, the U.S supported authoritarian South Korean governments, which reigned until the 1980s.

In late February 1946, George F. Kennan's "Long Telegram" from Moscow to Washington helped to articulate the US government's increasingly hard line against the Soviets, which would become the basis for US strategy toward the Soviet Union for the duration of the Cold War. The Truman Administration was receptive to the telegram due to broken promises by Stalin concerning Europe and Iran. Following the WWII Anglo-Soviet invasion of Iran, the country was occupied by the Red Army in the far north and the British in the south. Iran was used by the United States and British to supply the Soviet Union, and the Allies agreed to withdraw from Iran within six months after the cessation of hostilities. However, when this deadline came, the Soviets remained in Iran under the guise of the People's Republic of Azerbaijan and Kurdish Republic of Mahabad. Shortly thereafter, on 5 March, former British prime minister Winston Churchill delivered his famous "Iron Curtain" speech in Fulton, Missouri. The speech called for an Anglo-American alliance against the Soviets, whom he accused of establishing an "iron curtain" dividing Europe from "Stettin in the Baltic to Trieste in the Adriatic".

A week later, on 13 March, Stalin responded vigorously to the speech, saying that Churchill could be compared to Hitler insofar

as he advocated the racial superiority of English-speaking nations so that they could satisfy their hunger for world domination, and that such a declaration was "a call for war on the U.S.S.R." The Soviet leader also dismissed the accusation that the USSR was exerting increasing control over the countries lying in its sphere. He argued that there was nothing surprising in "the fact that the Soviet Union, anxious for its future safety, [was] trying to see to it that governments loyal in their attitude to the Soviet Union should exist in these countries".

In September, the Soviet side produced the Novikov telegram, sent by the Soviet ambassador to the US but commissioned and "co-authored" by Vyacheslav Molotov; it portrayed the US as being in the grip of monopoly capitalists who were building up military capability "to prepare the conditions for winning world supremacy in a new war". On 6 September 1946, James F. Byrnes delivered a speech in Germany repudiating the Morgenthau Plan (a proposal to partition and de-industrialize post-war Germany) and warning the Soviets that the US intended to maintain a military presence in Europe indefinitely. As Byrnes admitted a month later, "The nub of our program was to win the German people... it was a battle between us and Russia over minds..." In December, the Soviets agreed to withdraw from Iran after persistent US pressure, an early success of containment policy.

By 1947, US president Harry S. Truman was outraged by the perceived resistance of the Soviet Union to American demands in Iran, Turkey, and Greece, as well as Soviet rejection of the Baruch Plan on nuclear weapons. In February 1947, the British

government announced that it could no longer afford to finance the Kingdom of Greece in its civil war against Communist-led insurgents. The US government responded to this announcement by adopting a policy of containment, with the goal of stopping the spread of Communism. Truman delivered a speech calling for the allocation of \$400 million to intervene in the war and unveiled the Truman Doctrine, which framed the conflict as a contest between free peoples and totalitarian regimes. American policymakers accused the Soviet Union of conspiring against the Greek royalists in an effort to expand Soviet influence even though Stalin had told the Communist Party to cooperate with the British-backed government. (The insurgents were helped by Josip Broz Tito's Socialist Federal Republic of Yugoslavia against Stalin's wishes.)

Enunciation of the Truman Doctrine marked the beginning of a US bipartisan defense and foreign policy consensus between Republicans and Democrats focused on containment and deterrence that weakened during and after the Vietnam War, but ultimately persisted thereafter. Moderate and conservative parties in Europe, as well as social democrats, gave virtually unconditional support to the Western alliance, while European and American Communists, financed by the KGB and involved in its intelligence operations, adhered to Moscow's line, although dissent began to appear after 1956. Other critiques of the consensus policy came from anti-Vietnam War activists, the Campaign for Nuclear Disarmament, and the anti-nuclear movement.

## **Korean War**

One of the more significant examples of the implementation of containment was US intervention in the Korean War. In June 1950, after years of mutual hostilities, Kim Il-sung's North Korean People's Army invaded South Korea at the 38th parallel. Stalin had been reluctant to support the invasion but ultimately sent advisers. To Stalin's surprise, the United Nations Security Council Resolution 82 and 83 backed the defense of South Korea, although the Soviets were then boycotting meetings in protest of the fact that Taiwan, not the People's Republic of China, held a permanent seat on the council. A UN force of sixteen countries faced North Korea, although 40 percent of troops were South Korean, and about 50 percent were from the United States.

The US initially seemed to follow containment when it first entered the war. This directed the US's action to only push back North Korea across the 38th Parallel and restore South Korea's sovereignty while allowing North Korea's survival as a state. However, the success of the Inchon landing inspired the US/UN forces to pursue a rollback strategy instead and to overthrow communist North Korea, thereby allowing nationwide elections under U.N. auspices. General Douglas MacArthur then advanced across the 38th Parallel into North Korea. The Chinese, fearful of a possible US invasion, sent in a large army and defeated the U.N. forces, pushing them back below the 38th parallel. Truman publicly hinted that he might use his "ace in the hole" of the atomic bomb, but Mao was unmoved. The episode was used to



support the wisdom of the containment doctrine as opposed to rollback. The Communists were later pushed to roughly around the original border, with minimal changes. Among other effects, the Korean War galvanised NATO to develop a military structure. Public opinion in countries involved, such as Great Britain, was divided for and against the war.

After the Armistice was approved in July 1953, North Korean leader Kim Il Sung created a highly centralized, totalitarian dictatorship that accorded his family unlimited power while generating a pervasive cult of personality. In the South, the American-backed dictator Syngman Rhee ran a violently anticommunist and authoritarian regime. While Rhee was overthrown in 1960, South Korea continued to be ruled by a military government of former Japanese collaborators until the re-establishment of a multi-party system in the late 1980s.

## **New Cold War (1979–1985)**

The term *new Cold War* refers to the period of intensive reawakening of Cold War tensions and conflicts in the late 1970s and early 1980s. Tensions greatly increased between the major powers with both sides becoming more militant. Diggins says, "Reagan went all out to fight the second cold war, by supporting counterinsurgencies in the third world." Cox says, "The intensity of this 'second' Cold War was as great as its duration was short." In April 1978, the communist People's Democratic Party of Afghanistan (PDPA) seized power in Afghanistan in the Saur

Revolution. Within months, opponents of the communist government launched an uprising in eastern Afghanistan that quickly expanded into a civil war waged by guerrilla mujahideen against government forces countrywide. The Islamic Unity of Afghanistan Mujahideen insurgents received military training and weapons in neighboring Pakistan and China, while the Soviet Union sent thousands of military advisers to support the PDPA government. Meanwhile, increasing friction between the competing factions of the PDPA—the dominant Khalq and the more moderate Parcham—resulted in the dismissal of Parchami cabinet members and the arrest of Parchami military officers under the pretext of a Parchami coup. By mid-1979, the United States had started a covert program to assist the mujahideen.

In September 1979, Khalqist President Nur Muhammad Taraki was assassinated in a coup within the PDPA orchestrated by fellow Khalq member Hafizullah Amin, who assumed the presidency. Distrusted by the Soviets, Amin was assassinated by Soviet special forces during Operation Storm-333 in December 1979. A Soviet-organized government, led by Parcham's Babrak Karmal but inclusive of both factions, filled the vacuum. Soviet troops were deployed to stabilize Afghanistan under Karmal in more substantial numbers, although the Soviet government did not expect to do most of the fighting in Afghanistan. As a result, however, the Soviets were now directly involved in what had been a domestic war in Afghanistan.

Carter responded to the Soviet intervention by withdrawing the SALT II treaty from ratification, imposing embargoes on grain and

technology shipments to the USSR, and demanding a significant increase in military spending, and further announced that the United States would boycott the 1980 Summer Olympics in Moscow. He described the Soviet incursion as "the most serious threat to the peace since the Second World War".

In January 1977, four years prior to becoming president, Ronald Reagan bluntly stated, in a conversation with Richard V. Allen, his basic expectation in relation to the Cold War. "My idea of American policy toward the Soviet Union is simple, and some would say simplistic," he said. "It is this: We win and they lose. What do you think of that?" In 1980, Ronald Reagan defeated Jimmy Carter in the 1980 presidential election, vowing to increase military spending and confront the Soviets everywhere. Both Reagan and new British Prime Minister Margaret Thatcher denounced the Soviet Union and its ideology. Reagan labeled the Soviet Union an "evil empire" and predicted that Communism would be left on the "ash heap of history," while Thatcher inculcated the Soviets as "bent on world dominance." In 1982, Reagan tried to cut off Moscow's access to hard currency by impeding its proposed gas line to Western Europe. It hurt the Soviet economy, but it also caused ill will among American allies in Europe who counted on that revenue. Reagan retreated on this issue.

By early 1985, Reagan's anti-communist position had developed into a stance known as the new Reagan Doctrine—which, in addition to containment, formulated an additional right to subvert existing communist governments. Besides continuing

Carter's policy of supporting the Islamic opponents of the Soviet Union and the Soviet-backed PDPA government in Afghanistan, the CIA also sought to weaken the Soviet Union itself by promoting Islamism in the majority-Muslim Central Asian Soviet Union. Additionally, the CIA encouraged anti-communist Pakistan's ISI to train Muslims from around the world to participate in the jihad against the Soviet Union.

Pope John Paul II provided a moral focus for anti-communism; a visit to his native Poland in 1979 stimulated a religious and nationalist resurgence centered on the Solidarity movement that galvanized opposition and may have led to his attempted assassination two years later. In December 1981, Poland's Wojciech Jaruzelski reacted to the crisis by imposing a period of martial law. Reagan imposed economic sanctions on Poland in response. Mikhail Suslov, the Kremlin's top ideologist, advised Soviet leaders not to intervene if Poland fell under the control of Solidarity, for fear it might lead to heavy economic sanctions, resulting in a catastrophe for the Soviet economy.

### **The US and USSR military and economic issues**

The Soviet Union had built up a military that consumed as much as 25 percent of its gross national product at the expense of consumer goods and investment in civilian sectors. Soviet spending on the arms race and other Cold War commitments both caused and exacerbated deep-seated structural problems in the Soviet system, which experienced at least a decade of economic stagnation during the late Brezhnev years.

Soviet investment in the defense sector was not driven by military necessity, but in large part by the interests of massive party and state bureaucracies dependent on the sector for their own power and privileges. The Soviet Armed Forces became the largest in the world in terms of the numbers and types of weapons they possessed, in the number of troops in their ranks, and in the sheer size of their military-industrial base. However, the quantitative advantages held by the Soviet military often concealed areas where the Eastern Bloc dramatically lagged behind the West. For example, the Persian Gulf War demonstrated how the armor, fire control systems and firing range of the Soviet Union's most common main battle tank, the T-72, were drastically inferior to the American M1 Abrams, yet the USSR fielded almost three times as many T-72s as the US deployed M1s.

By the early 1980s, the USSR had built up a military arsenal and army surpassing that of the United States. Soon after the Soviet invasion of Afghanistan, president Carter began massively building up the United States military. This buildup was accelerated by the Reagan administration, which increased the military spending from 5.3 percent of GNP in 1981 to 6.5 percent in 1986, the largest peacetime defense buildup in United States history.

Tensions continued to intensify as Reagan revived the B-1 Lancer program, which had been canceled by the Carter administration, produced LGM-118 Peacekeeper missiles, installed US cruise missiles in Europe, and announced the experimental Strategic

Defense Initiative, dubbed "Star Wars" by the media, a defense program to shoot down missiles in mid-flight. The Soviets deployed RSD-10 Pioneer ballistic missiles targeting Western Europe, and NATO decided, under the impetus of the Carter presidency, to deploy MGM-31 Pershing and cruise missiles in Europe, primarily West Germany. This deployment placed missiles just 10 minutes' striking distance from Moscow.

After Reagan's military buildup, the Soviet Union did not respond by further building its military, because the enormous military expenses, along with inefficient planned manufacturing and collectivized agriculture, were already a heavy burden for the Soviet economy. At the same time, Saudi Arabia increased oil production, even as other non-OPEC nations were increasing production. These developments contributed to the 1980s oil glut, which affected the Soviet Union as oil was the main source of Soviet export revenues. Issues with command economics, oil price decreases and large military expenditures gradually brought the Soviet economy to stagnation.

On 1 September 1983, the Soviet Union shot down Korean Air Lines Flight 007, a Boeing 747 with 269 people aboard, including sitting Congressman Larry McDonald, an action which Reagan characterized as a "massacre". The airliner had violated Soviet airspace just past the west coast of Sakhalin Island near Moneron Island, and the Soviets treated the unidentified aircraft as an intruding US spy plane. The incident increased support for military deployment, overseen by Reagan, which stood in place until the later accords between Reagan and Mikhail Gorbachev.

The Able Archer 83 exercise in November 1983, a realistic simulation of a coordinated NATO nuclear release, was perhaps the most dangerous moment since the Cuban Missile Crisis, as the Soviet leadership feared that a nuclear attack might be imminent.

American domestic public concerns about intervening in foreign conflicts persisted from the end of the Vietnam War. The Reagan administration emphasized the use of quick, low-cost counter-insurgency tactics to intervene in foreign conflicts. In 1983, the Reagan administration intervened in the multisided Lebanese Civil War, invaded Grenada, bombed Libya and backed the Central American Contras, anti-communist paramilitaries seeking to overthrow the Soviet-aligned Sandinista government in Nicaragua. While Reagan's interventions against Grenada and Libya were popular in the United States, his backing of the Contra rebels was mired in controversy. The Reagan administration's backing of the military government of Guatemala during the Guatemalan Civil War, in particular the regime of Efraín Ríos Montt, was also controversial.

Meanwhile, the Soviets incurred high costs for their own foreign interventions. Although Brezhnev was convinced in 1979 that the Soviet war in Afghanistan would be brief, Muslim guerrillas, aided by the US, China, Britain, Saudi Arabia and Pakistan, waged a fierce resistance against the invasion. The Kremlin sent nearly 100,000 troops to support its puppet regime in Afghanistan, leading many outside observers to dub the war "the Soviets' Vietnam". However, Moscow's quagmire in Afghanistan

was far more disastrous for the Soviets than Vietnam had been for the Americans because the conflict coincided with a period of internal decay and domestic crisis in the Soviet system.

A senior US State Department official predicted such an outcome as early as 1980, positing that the invasion resulted in part from a "domestic crisis within the Soviet system.... It may be that the thermodynamic law of entropy has... caught up with the Soviet system, which now seems to expend more energy on simply maintaining its equilibrium than on improving itself. We could be seeing a period of foreign movement at a time of internal decay".

By the time the comparatively youthful Mikhail Gorbachev became General Secretary in 1985, the Soviet economy was stagnant and faced a sharp fall in foreign currency earnings as a result of the downward slide in oil prices in the 1980s. These issues prompted Gorbachev to investigate measures to revive the ailing state.

An ineffectual start led to the conclusion that deeper structural changes were necessary, and in June 1987 Gorbachev announced an agenda of economic reform called *perestroika*, or restructuring. Perestroika relaxed the production quota system, allowed private ownership of businesses and paved the way for foreign investment. These measures were intended to redirect the country's resources from costly Cold War military commitments to more productive areas in the civilian sector.

Despite initial skepticism in the West, the new Soviet leader proved to be committed to reversing the Soviet Union's



deteriorating economic condition instead of continuing the arms race with the West. Partly as a way to fight off internal opposition from party cliques to his reforms, Gorbachev simultaneously introduced *glasnost*, or openness, which increased freedom of the press and the transparency of state institutions. *Glasnost* was intended to reduce the corruption at the top of the Communist Party and moderate the abuse of power in the Central Committee. *Glasnost* also enabled increased contact between Soviet citizens and the western world, particularly with the United States, contributing to the accelerating détente between the two nations.

## **Second Cold War and political issues**

The **Second Cold War**, or **Cold War II**, or the **New Cold War**, are synonymous terms used by various commentators to describe the heightened 21st century political and military tensions between the United States and China. It is also used to describe such tensions between the US and Russia, a state of the former Soviet Union, which was one of the major parties of the original Cold War until its dissolution in 1991. Some commentators have used the term as a comparison to the original Cold War. Some other commentators have either doubted that either tension would lead to another "cold war" or have discouraged using the term to refer to either or both tensions.

Past sources, such as academics Fred Halliday, Alan M. Wald, and David S. Painter, used the interchangeable terms to refer to

the 1979–1985 and/or 1985–1991 phases of the Cold War. Some other sources used similar terms to refer to the Cold War of the mid-1970s. Columnist William Safire argued in a 1975 *New York Times* editorial that the Nixon administration's policy of détente with the Soviet Union had failed and that "Cold War II" was now underway. Academic Gordon H. Chang in 2007 used the term "Cold War II" to refer to the Cold War period after the 1972 meeting in China between US President Richard Nixon and Chinese Communist Party chairman Mao Zedong.

In 1998, George Kennan described the US Senate vote to expand NATO to include Poland, Hungary, and the Czech Republic as "the beginning of a new cold war", and predicted that "the Russians will gradually react quite adversely and it will affect their policies".

The journalist Edward Lucas wrote his 2008 book *The New Cold War: How the Kremlin Menaces both Russia and the West*, claiming that a new cold war between Russia and the West had begun already.

In June 2019, University of Southern California (USC) professors Steven Lamy and Robert D. English agreed that the "new Cold War" would distract political parties from bigger issues such as globalization, global warming, global poverty, increasing inequality, and right-wing populism. However, Lamy said that the new Cold War had not yet begun, while English said that it already had. English further said that China poses a far greater

threat than Russia in cyberwarfare but not as much as right-wing populism does from within liberal states like the US.

### **Sino-American tensions**

The US senior defence official Jed Babbin, Yale University professor David Gelernter, *Firstpost* editor R. Jagannathan, Subhash Kapila of the South Asia Analysis Group, former Australian Prime Minister Kevin Rudd, and some other sources have used the term (occasionally using the term the Pacific Cold War) to refer to tensions between the United States and China in the 2000s and 2010s.

Talk of a "new Cold War" between a United States-led block of countries on the one hand and the putative Beijing-Moscow axis, including explicit references to it in the official PRC's media, intensified in the summer of 2016 as a result of the territorial dispute in the South China Sea, when China defied the Permanent Court of Arbitration's ruling against China on the South China Sea dispute, and the US announcing in July 2016 it would deploy the Terminal High Altitude Area Defense (THAAD) in South Korea, a move resented by China as well as Russia and North Korea.

Donald Trump, who was inaugurated as US president on 20 January 2017, had repeatedly said during his presidential campaign that he considered China a threat, a stance that heightened speculations of the possibility of a "new cold war with China". Claremont McKenna College professor Minxin Pei said

that Trump's election win and "ascent to the presidency" may increase chances of the possibility. In March 2017, a self-declared socialist magazine *Monthly Review* said, "With the rise of the Trump administration, the new Cold War with Russia has been put on hold", and also said that the Trump administration has planned to shift from Russia to China as its main competitor.

In July 2018, Michael Collins, deputy assistant director of the CIA's East Asia mission center, told the Aspen Security Forum in Colorado he believed China under paramount leader and general secretary Xi Jinping, while unwilling to go to war, was waging a "quiet kind of cold war" against the United States, seeking to replace the US as the leading global power. He further elaborated: "What they're waging against us is fundamentally a cold war — a cold war not like we saw during [the] Cold War (between the U.S. and the Soviet Union) but a cold war by definition". In October 2018, a Hong Kong's Lingnan University professor Zhang Baohui told *The New York Times* that a speech by United States Vice-president Mike Pence at the Hudson Institute "will look like the declaration of a new Cold War".

In January 2019, Robert D. Kaplan of the Center for a New American Security wrote that "it is nothing less than a new cold war: The constant, interminable Chinese computer hacks of American warships' maintenance records, Pentagon personnel records, and so forth constitute war by other means. This situation will last decades and will only get worse". In February 2019, Joshua Shiffrin, an associate professor from Boston University, criticised the concerns about tensions between China

and the US as "overblown", saying that the relationship between the two countries are different from that of the US–Soviet Union relations during the original Cold War, that factors of heading to another era of bipolarity are uncertain, and that ideology play a less prominent role between China and the US.

In April 2019, economist and Yale University academic Stephen S. Roach wrote, "The US economy is weaker now than it was during [...] Cold War 1.0," and recommended that the US and China either improve their relations, particularly by resolving their trade war, or face "Cold War 2.0". Moreover, Roach predicted that "economic resilience" would occur in upcoming months in the US, while he asserted that the weakening of China's economy "could run its course by mid-year."

In June 2019, academic Stephen Wertheim called President Trump a "xenophobe" and criticised Trump's foreign policy toward China for heightening risks of a new Cold War, which Wertheim wrote "could plunge the United States back into gruesome proxy wars around the world and risk a still deadlier war among the great powers."

In the 2019, Yuan Peng of the China Institute of International Studies said that the financial crisis of 2007–2008 "initiated a shift in the global order." Yuan predicted the possibility of the new cold war between both countries and their global power competition turning "from 'superpower vs. major power' to 'No. 1 vs. No. 2'." On the other hand, scholar Zhu Feng said that their "strategic competition" would not lead to the new Cold War. Zhu

said that the US–China relations have progressed positively and remained "stable", despite disputes in the South China Sea and Taiwan Strait and US President Trump's aggressive approaches toward China.

In January 2020, columnist and historian Niall Ferguson opined that China is one of the major players of this Cold War, whose powers are "economic rather than military", and that Russia's role is "quite small". Ferguson also wrote:

[C]ompared with the 1950s, the roles have been reversed. China is now the giant, Russia the mean little sidekick. China under Xi remains strikingly faithful to the doctrine of Marx and Lenin. Russia under Putin has reverted to Tsarism.

Ferguson further wrote that this Cold War is different from the original Cold War because the US "is so intertwined with China" at the point where "decoupling" is as others argued "a delusion" and because "America's traditional allies are much less eager to align themselves with Washington and against Beijing." He further wrote that the new Cold War "shifted away from trade to technology" when both the US and China signed their Phase One trade deal. In a February 2020 interview with *The Japan Times*, Ferguson suggested that, to "contain China", the US "work intelligently with its Asian and European allies", as the US had done in the original Cold War, rather than on its own and perform something more effective than "tariffs, which are a very blunt instrument." He also said that the US under Trump has been "rather poor" at making foreign relations.

On May 24, 2020, China Foreign Minister Wang Yi said that relations with the U.S. were on the "brink of a new Cold War" after it was fuelled by tensions over the COVID-19 pandemic. In June 2020, Boston College political scientist Robert S. Ross wrote that the US and China "are destined to compete [but] not destined for violent conflict or a cold war." In the following month July, Ross said that the Trump "administration would like to fully decouple from China. No trade, no cultural exchanges, no political exchanges, no cooperation on anything that resembles common interests."

In August 2020, a La Trobe University professor Nick Bisley wrote that the US–China rivalry "will be no Cold War" but rather will "be more complex, harder to manage, and last much longer." He further wrote that comparing the old Cold War to the ongoing rivalry "is a risky endeavour."

In September 2020, the UN Secretary General António Guterres warned that the increasing tensions between the US under Trump and China under Xi were leading to "a Great Fracture" which would become costly to the world. Xi Jinping replied by saying that "China has no intention to fight either a Cold War or a hot one with any country."

In March 2021, a Columbia University professor Thomas J. Christensen wrote that the cold war between the US and China "is unlikely" in comparison to the original Cold War, citing China's prominence in the "global production chain" and absence of the authoritarianism vs. liberal democracy dynamic.

Christensen further advised those concerned about the tensions between the two nations to research China's role in the global economy and its "foreign policy toward international conflicts and civil wars" between liberal and authoritarian forces. He further noted newly elected US President Joe Biden's planned different approach from predecessor Donald Trump.

### **Russo-American tensions**

Sources disagree as to whether a period of global tension analogous to the Cold War is possible in the future, while others have used the term to describe the ongoing renewed tensions, hostilities, and political rivalries that intensified dramatically in 2014 between Russia, the United States and their respective allies.

Michael Klare, a RealClearPolitics writer and an academic, in June 2013 compared tensions between Russia and the West to the ongoing proxy conflict between Saudi Arabia and Iran. Oxford Professor Philip N. Howard argued that a new cold war was being fought via the media, information warfare, and cyberwar. In 2014, notable figures such as Mikhail Gorbachev warned, against the backdrop of a confrontation between Russia and the West over the Ukrainian crisis, that the world was on the brink of a new cold war, or that it was already occurring. The American political scientist Robert Legvold also believes it started in 2013 during the Ukraine crisis. Others argued that the term did not accurately describe the nature of relations between Russia and the West. Stephen F. Cohen, Robert D. Crane, and Alex Vatanka



have all referred to a "US–Russian Cold War". Andrew Kuchins, an American political scientist and Kremlinologist speaking in 2016, believed the term was "unsuited to the present conflict" as it may be more dangerous than the Cold War.

While new tensions between Russia and the West have similarities with those during the Cold War, there are also major differences, such as modern Russia's increased economic ties with the outside world, which may potentially constrain Russia's actions, and provide it with new avenues for exerting influence, such as in Belarus and Central Asia, which have not seen the type of direct military action that Russia engaged in less cooperative former Soviet states like Ukraine and the Caucasus region. The term "Cold War II" has therefore been described as a misnomer.

The term "Cold War II" gained currency and relevance as tensions between Russia and the West escalated throughout the 2014 pro-Russian unrest in Ukraine followed by the Russian military intervention and especially the downing of Malaysia Airlines Flight 17 in July 2014. By August 2014, both sides had implemented economic, financial, and diplomatic sanctions upon each other: virtually all Western countries, led by the US and European Union, imposed punitive measures on Russia, which introduced retaliatory measures.

Some observers, including Syrian President Bashar al-Assad, judged the Syrian Civil War to be a proxy war between Russia and the United States, and even a "proto-world war". In January

2016, senior UK government officials were reported to have registered their growing fears that "a new cold war" was now unfolding in Europe: "It really is a new Cold War out there. Right across the EU we are seeing alarming evidence of Russian efforts to unpick the fabric of European unity on a whole range of vital strategic issues".

In an interview with *Time* magazine in December 2014, Gorbachev said that the US under Barack Obama was dragging Russia into a new cold war. In February 2016, at the Munich Security Conference, NATO Secretary General Jens Stoltenberg said that NATO and Russia were "not in a cold-war situation but also not in the partnership that we established at the end of the Cold War", while Russian Prime Minister Dmitry Medvedev, speaking of what he called NATO's "unfriendly and opaque" policy on Russia, said "One could go as far as to say that we have slid back to a new Cold War". In October 2016 and March 2017, Stoltenberg said that NATO did not seek "a new Cold War" or "a new arms race" with Russia.

In February 2016, a Higher School of Economics university academic and Harvard University visiting scholar Yuval Weber wrote on *E-International Relations* that "the world is not entering Cold War II", asserting that the current tensions and ideologies of both sides are not similar to those of the original Cold War, that situations in Europe and the Middle East do not destabilise other areas geographically, and that Russia "is far more integrated with the outside world than the Soviet Union ever was". In September 2016, when asked if he thought the world had entered a new cold

war, Russian Foreign Minister, Sergey Lavrov, argued that current tensions were not comparable to the Cold War. He noted the lack of an ideological divide between the United States and Russia, saying that conflicts were no longer ideologically bipolar.

In August 2016, Daniel Larison of *The American Conservative* magazine wrote that tensions between Russia and the United States would not "constitute a 'new Cold War'" especially between democracy and authoritarianism, which Larison found more limited than and not as significant in 2010s as that of the Soviet-Union era.

In October 2016, John Sawers, a former MI6 chief, said he thought the world was entering an era that was possibly "more dangerous" than the Cold War, as "we do not have that focus on a strategic relationship between Moscow and Washington". Similarly, Igor Zevelev, a fellow at the Wilson Center, said that "it's not a Cold War [but] a much more dangerous and unpredictable situation". CNN opined: "It's not a new Cold War. It's not even a deep chill. It's an outright conflict".

In January 2017, a former US Government adviser Molly K. McKew said at *Politico* that the US would win a new cold war. *The New Republic* editor Jeet Heer dismissed the possibility as "equally troubling[,] reckless threat inflation, wildly overstating the extent of Russian ambitions and power in support of a costly policy", and too centred on Russia while "ignoring the rise of powers like China and India". Heer also criticised McKew for suggesting the possibility. Jeremy Shapiro, a senior fellow in the

Brookings Institution, wrote in his blog post at *RealClearPolitics*, referring to the US–Russia relations: "A drift into a new Cold War has seemed the inevitable result".

In August 2017, Russian Deputy Foreign Minister Sergei Ryabkov denied claims that the US and Russia were having another cold war, despite ongoing tensions between the two countries and newer US sanctions against Russia. A University of East Anglia graduate student Oliver Steward and the Casimir Pulaski Foundation senior fellow Stanisław Koziej in 2017 attributed Zapad 2017 exercise, a military exercise by Russia, as part of the new Cold War. In March 2018, Russian President Vladimir Putin told journalist Megyn Kelly in an interview: "My point of view is that the individuals that have said that a new Cold War has started are not analysts. They do propaganda." Michael Kofman, a senior research scientist at the CNA Corporation and a fellow at the Wilson Center's Kennan Institute said that the new cold war for Russia "is about its survival as a power in the international order, and also about holding on to the remnants of the Russian empire". Lyle Goldstein, a research professor at the US Naval War College claims that the situations in Georgia and Ukraine "seemed to offer the requisite storyline for new Cold War".

In March 2018, Harvard University professors Stephen Walt and then Odd Arne Westad criticised application of the term to increasing tensions between the Russia and the West as "misleading", "distract[ing]", and too simplistic to describe the more complicated contemporary international politics. In April 2018 relations deteriorated over a potential US-led military strike

in Middle East after the Douma chemical attack in Syria, which was attributed to the Syrian Army by rebel forces in Douma, and poisoning of the Skripals in the UK. The Secretary-General of the United Nations, António Guterres, told a meeting of the UN Security Council that "the Cold War was back with a vengeance". He suggested the dangers were even greater, as the safeguards that existed to manage such a crisis "no longer seem to be present". Dmitri Trenin supported Guterres' statement, but added that it began in 2014 and had been intensifying since, resulting in US-led strikes on the Syrian government on 13 April 2018.

Russian news agency TASS reported the Russian Foreign Minister Sergei Lavrov saying "I don't think that we should talk about a new Cold War", adding that the US development of low-yield nuclear warheads (the first of which entered production in January 2019) had increased the potential for the use of nuclear weapons.

In October 2018, Russian military analyst Pavel Felgenhauer told Deutsche Welle that the new Cold War would make the Intermediate-Range Nuclear Forces (INF) Treaty and other Cold War-era treaties "irrelevant because they correspond to a totally different world situation." In February 2019, Russian Foreign Minister Sergey Lavrov stated that the withdrawal from the INF treaty would not lead to "a new Cold War".

Speaking to the press in Berlin on 8 November 2019, a day before the 30th anniversary of the fall of the Berlin Wall, U.S. secretary of state Mike Pompeo warned of the dangers posed by Russia and

China and specifically accused Russia, "led by a former KGB officer once stationed in Dresden", of invading its neighbours and crushing dissent. Jonathan Marcus of the BBC opined that Pompeo's words "appeared to be declaring the outbreak of a second [Cold War]".

A philosophy academic Andrew Levine wrote on CounterPunch in January 2020, "Cold War revivalism has become the Democratic Party's watchword since even before Hillary Clinton needed an excuse for losing the 2016 election." Levine criticised the Democratic Party's "dangerous and blatantly hypocritical efforts to revive the Cold War with Russia and their glorification of the liars... in America's intelligence community."

## **International relations since 1989**

**International relations since 1989** covers the main trends in world affairs since the end of the Cold War. The 21st century has been marked by growing economic globalization and integration, with consequent increased risk to interlinked economies, as exemplified by the Great Recession of the late 2000s and early 2010s. This period has also seen the expansion of communications with mobile phones and the Internet, which have caused fundamental societal changes in business, politics, and how individuals networked along common interests and sought information.

Worldwide competition for resources has risen due to growing populations and industrialization, especially in India, China, and

Brazil. The increased demands are contributing to increased environmental degradation and to global warming.

International tensions were heightened in connection with the efforts of some nuclear-armed states to induce North Korea to give up its nuclear weapons, and to prevent Iran from developing nuclear weapons.

In 2020, the COVID-19 pandemic became the first pandemic since 1919 to substantially disrupt global trading and cause recessions in the global economy.

The 1990s saw a dramatic advance in technology, with the World Wide Web. A combination of factors, including the continued mass mobilization of capital markets through neo-liberalism, the thawing and sudden end of the Cold War after four decades of fear, the beginning of the widespread proliferation of new media such as the Internet and email, and increasing skepticism towards government. The dissolution of the Soviet Union in 1991 led to a realignment and reconsolidation of economic and political power across the world and within countries. The dot-com bubble of 1997–2000 brought wealth to some entrepreneurs before its crash between 2000 and 2001.

New ethnic conflicts emerged in Africa, the Balkans, producing the Rwandan and Bosnian genocides. Signs of any resolution of tensions between Israel and the Arab world remained elusive despite the progress of the Oslo Accords. On a peaceful note The Troubles in Northern Ireland came to a standstill in 1998 with the Good Friday Agreement after 30 years of violence.

## **2000s**

The early part of the decade saw the long-time predicted breakthrough of economic giant China, which had double-digit growth during nearly the whole decade. To a lesser extent, India also benefited from an economic boom, which saw the two most populous countries becoming an increasingly dominant economic force. The rapid catching-up of emerging economies with developed countries sparked some protectionist tensions during the period and was partly responsible for an increase in energy and food prices at the end of the decade. The economic developments in the latter third of the decade were dominated by a worldwide economic downturn, which started with the crisis in housing and credit in the United States in late 2007 and led to the bankruptcy of major banks and other financial institutions. The outbreak of this global financial crisis sparked a global recession, beginning in the United States and affecting most of the industrialized world.

The growth of the Internet contributed to globalization during the decade, which allowed faster communication among people around the world. social networking sites arose as a new way for people to stay in touch no matter where they were, as long as they had an internet connection. The first social networking sites were Friendster, Myspace, Facebook, and Twitter, established in 2002 to 2006. Myspace was the most popular social networking website until June 2009, when Facebook overtook it. E-mail continued to be popular throughout the decade and began to



replace paper-based "snail mail" as the primary way of sending letters and other messages to people in distant locations.

The War on Terror and War in Afghanistan began after the September 11 attacks in 2001. The International Criminal Court was formed in 2002. In 2003, a United States-led coalition invaded Iraq, and the Iraq War led to the end of Saddam Hussein's rule as Iraqi President and the Ba'ath Party in Iraq. Al-Qaeda and affiliated Islamist militant groups performed terrorist acts throughout the decade. The Second Congo War, the deadliest conflict since World War II, ended in July 2003. Further wars that ended included the Algerian Civil War, the Angolan Civil War, the Sierra Leone Civil War, the Second Liberian Civil War, the Nepalese Civil War, and the Sri Lankan Civil War. Wars that began included the conflict in the Niger Delta, the Houthi insurgency in Yemen, and the Mexican Drug War.

Climate change and global warming became common concerns in the 2000s. Prediction tools made significant progress during the decade, UN-sponsored organizations such as the IPCC gained influence, and studies such as the Stern report influenced public support for paying the political and economic costs of countering climate change. The global temperature kept climbing during the decade. In December 2009, the World Meteorological Organization (WMO) announced that the 2000s may have been the warmest decade since records began in 1850, with four of the five warmest years since 1850 having occurred in this decade. The WMO's findings were later echoed by the NASA and the NOAA.

## **2010s**

The decade began amid a global financial crisis and subsequent international recession dating from 2007. The resulting European sovereign-debt crisis became more pronounced early in the decade and continued to affect the possibility of a global economic recovery. Economic issues, such as austerity, inflation, and an increase in commodity prices, led to unrest in many countries, including the 15-M and Occupy movements. Unrest in some countries—particularly Arab Spring in the Arab world—evolved into revolutions in Tunisia, Egypt, and Bahrain as well as civil wars in Libya, Syria, and Yemen. Shifting social norms saw a growth of LGBT rights and female representation.

The United States continued to retain its global superpower. The emerging competitor was China, with its vast economic initiatives and military reforms. China sought to expand its influence in the South China Sea and in Africa, solidifying its position as an emerging global superpower. The worldwide competition between China and the U.S. coalesced into a "containment" effort and a trade war.

Elsewhere in Asia, the two Koreas improved their relations after a prolonged crisis. The War on Terror continued as Osama bin Laden was assassinated by U.S. forces. The rise of the Islamic State of Iraq and the Levant extremist organisation in 2014 erased the borders between Syria and Iraq, resulting in a multinational intervention that also saw the demise of its leader. In Africa, South Sudan broke away from Sudan, and mass

protests and various coups d'état saw longtime strongmen deposed. In the US, Donald Trump became president. He called for "America First," reduced ties to NATO and other allies, and started a trade war with China. He was defeated for reelection in 2020, and Washington resumed its traditional ties.

The European Union experienced a migrant crisis in the middle of the decade and the historic United Kingdom EU membership referendum followed by withdrawal negotiations during its later years. Under President Vladimir Putin, Russia asserted itself in international affairs annexing Crimea in 2014 and engaging in conflict in Ukraine and Georgia. Putin also suppressed dissent inside Russia.

Information technology progressed, with smartphones becoming widespread. The Internet of things saw substantial growth during the 2010s due to advancements in wireless networking devices, mobile telephony, and cloud computing. Advancements in data processing and the rollout of 4G broadband allowed data and information to disperse among domains at paces never before seen while online resources such as social media facilitated phenomena such as the Me Too movement and the rise of slacktivism, Woke culture and online call-out culture. Online nonprofit organisation WikiLeaks gained international attention for publishing classified information on topics including Guantánamo Bay, Syria, the Afghan and Iraq wars, and United States diplomacy. Edward Snowden blew the whistle on global surveillance, raising awareness on the role governments and

private entities have in mass surveillance and information privacy.

## **2020s**

Before COVID hit in 2020, economic conditions were faltering. The UN reported:

World gross product growth slipped to 2.3 per cent in 2019—the lowest rate since the global financial crisis of 2008–2009. This slowdown is occurring alongside growing discontent with the social and environmental quality of economic growth, amid pervasive inequalities and the deepening climate crisis.

In 2020, the COVID-19 pandemic quickly spread to over 200 countries and territories in the world. This pandemic has caused severe global economic disruption, including the largest global recession since the Great Depression. It led to postponement or cancellation of sporting, religious, political and cultural events, widespread supply shortages, leading to panic buying, and decreased emissions of pollutants and greenhouse gases. Many countries have mandatory lockdowns on public movement, and there have been more than 160 million cases, resulting in more than 3 million deaths. The countries with the most confirmed cases of COVID-19 are in Brazil, France, Germany, India, Italy, Russia, Spain, Turkey, United Kingdom and United States.

During the presidency of Donald Trump, 2017 to 2021, U.S. foreign policy was noted for its unpredictability and reneging on

prior international commitments, upending diplomatic conventions, embracing political and economic brinkmanship with most adversaries, and straining relations with traditional allies. Trump's "America First" policy pursued nationalist foreign policy objectives and prioritized bilateral relations over multinational agreements. As president, Trump described himself as a nationalist while espousing isolationist, non-interventionist, and protectionist views; he personally praised some populist, neo-nationalist, illiberal, and authoritarian governments, while antagonizing others, as administration diplomats nominally continued to pursue pro-democracy ideals abroad.

The Presidency of Joe Biden (2021-) emphasizes repairing the U.S.'s alliances, which had been damaged under the Trump administration, and returning the U.S. to a "position of trusted leadership" among world democracies to counter challenges from Russia and China.

As president, Biden has sought to strengthen the transatlantic alliance between the U.S. and Europe, and he recommitted the U.S. to the NATO alliance and collective security. Biden returned the U.S. to the Paris Climate Agreement and has taken other steps to combat climate change. His administration emphasizes international cooperation to combat the COVID-19 pandemic, as well as U.S. defenses against foreign-sponsored Cyberattacks and cyberespionage.

# **Politics, wars and states**

## **Major issues**

Finance officials from 130 countries agreed on July 1, 2021, to plans for a new international taxation policy. All the major economies agreed to pass national laws that would require corporations to pay at least 15% income tax in the countries they operate. This new policy would end the practice of locating world headquarters in small countries with very low taxation rates. Governments hope to recoup some of the lost revenue, estimated at \$100 billion to \$240 billion each year. The new system was promoted by the United States and the Organization for Economic Cooperation and Development (OECD). Secretary-General Mathias Cormann of the OECD said, "This historic package will ensure that large multinational companies pay their fair share of tax everywhere." On July 10 the finance ministers of the G-20 all approved the plan. China's economy saw continuous real annual GDP growth 5% to 10% since 1991, by far the highest rate in the world. Starting poor, it became rich as a nation with dwindling pockets of poverty in remote rural areas. A very heavy migration of hundreds of millions of people moved from villages to cities to provide the labor force. In early 1992, Chinese leader Deng Xiaoping made a series of political pronouncements designed to give new impetus to and reinvigorate the process of economic reform. The National Communist Party Congress backed up Deng's renewed push for market reforms, stating that the key task in the 1990s was to create a "socialist market economy".

Continuity in the political system but bolder reform in the economic system were announced as the hallmarks of the 10-year development plan. Deng's government spent heavily to improve the infrastructure of highways, subways, railways, airports, bridges, dams, aqueducts and other public works. China became the world's largest manufacturer and exporter. Major problems worsened such as pollution and income inequality. By 2020, the Chinese Communist Party of general secretary and dictator Xi Jinping was shifting from manufacturing to consumer services and high technology. Planners hoped the resulting growth, though less rapid, would be more sustainable.