# FEATURES OF INTERNATIONAL ORGANISATIONS IN THE NEW WORLD ORDER

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#### **Abstract**

The post-1990 changes in the world order pose new challenges to the theory and practice of international relations. With the decay of bipolarity, the circle of international actors has enlarged, new elements of international discourse have emerged, the agenda and institutional architecture of diplomacy have changed. Such changes have taken place as a consequence of a new phase of globalisation, diversification of the perception of international security, multipolarity of world economy and the decline of the Westphalian system. These fundamental/systemic changes have made a significant impact not only on nation states' foreign and security policies but also on the objectives, geopolitical dimensions and organisational functioning of international structures. "Bipolar multilateralism" of the previous historical period has been replaced by a network of multilateral forums of international discourse and cooperation on global, regional and sub-regional levels. A few institutions like the Warsaw Pact and CMEA (ComEcon) have disappeared, traditional global entities like UN, OECD, IMF/IBRD, GATT/WTO have survived in enlarged, reformed or in a transformed way, new regional and sub-regional networks have been formed in Europe and other continents, the number and influence of non-governmental organisations has become remarkable.

This article makes an attempt to outline some characteristic features of the new multilateralism of our age under the conditions of the last quarter of a century, with special regard to the changes in doctrines, composition and organisational aspects of the networks under scrutiny. Attention will be devoted to the challenges and critiques they have to face and their efforts to meet those challenges by self-reforms. The analysis will be supported by a few case studies on global and regional organisations.

Key words: international organisations, New World Order, changes and reforms, global governance

#### 1. Terms

World order is one of the most frequently used categories of international political theories. In contemporary literature, a variety of definitions of world

order can be found. Raymond Aron in his classical studies and Henry Kissinger in his latest book (Kissinger:2014, 9-17) focus on power relations and rules, others like Immanuel Wallerstein attribute higher importance to economic factors and processes (Wallerstein: 2004, 23-30.). In the present article we adopt the comprehensive approach of Hungarian scholar Mihály Simai who defined the world order as "the interrelated and conflicting complex of international economic order, international political order and global ecological order. Its institutional frames and norms of behavior are determined by power relations and inter-state agreements." (Simai, 2010, p. 41)<sup>1</sup>

However diverse the approaches may be, power relations seem decisive in each definition. Power relations serve as the basis of differentiating between the various types of world order in specific historical periods. After long centuries of more fragmented power relations, with a limited number of actors of significant economic and military capabilities, in the second half of the 20th century two most influential powers, winners of WW2, the USA and USSR emerged as "superpowers" and became, with their military and economic coalitions, the two "poles" of the bipolar world order between 1945-91. After the collapse of the Soviet Union and the Eastern Bloc, power relations changed, basically: while the world order became unipolar in a military sense, marked with the dominant capacities and capabilities of the USA and NATO, economic power relations seem more and more multipolar characterised by leading positions of major actors of the preceding period (USA, EU and Japan) on the one hand, and rapidly emerging new players of the BRICS group like China, India, Russia, Brazil and South Africa, on the other. Though the postbipolar world order looks back already at a little more than a quarter-of-acentury, in the international political discourse it is still called "new" (New World Order, NWO), in historical terms.<sup>2</sup>

International organisations (IOs) <sup>3</sup> have been playing an important role in both "old" and "new" periods of world order and their activities are analysed

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<sup>&</sup>lt;sup>1</sup> In his recent publications, Simai presents a slightly diverse definition of world order as "a complex of rules of behaviour, norms and contracts adopted by decisive actors of inter-state relations, in written or unwritten form, enforceable by international organisations." (Simai: 2016, 25-27) However, the research objective of the present article is directed rather to the complexity of institutions, structures and their functioning including regulations than primarily normative aspects.

 $<sup>^2</sup>$  For a historical survey of the formation of the term "new world order" see Kondorosi, 2009, p. 1-3.

<sup>&</sup>lt;sup>3</sup> In the present article the term "international organisation" will be used for all formations of international non-business networks including most prestigious classic IGOs, recently formed regional initiatives and INGOs, disregarding the degree of their institutionalisation.

by a great number of books and studies. Basic sources generally define them as multinational networks with membership from more than two countries, performing common and regular activities in political, security, economic, cultural, social and other fields, aiming at mutual advantages and joint gain. IOs have certain common functions: they provide a forum for the exchange of ideas and discussion; they collect, synthesise and disseminate information in their profile; they set up norms and rules and create pressure for compliance; they plan and implement various actions to achieve their objectives. Objectives, norms, rules of behaviour and organisational procedures are in their basic documents (constitutions, incorporated multilateral agreements), adopted by the participants, including e.g. mission statement, membership conditions, levels of participation, rights and obligations of participants, sanctions, decision making, financing, public relations, etc. Mission, aims, rules and norms can change by periods under the effect of changes in international environment, new conditions and challenges.

The objective of the present article is twofold: first, to identify certain characteristics of the post-bipolar ("new") world order as the external environment of international organisations that make an impact on their existence and functioning, second, to describe and analyse some new features and processes in the sphere of IOs generated by the given global changes.

## 2. IOs in Bipolarity

One of the immanent features of the post-WW2 world order was the new stage of the development and enlargement of IOs. In search of adequate replies to the basic challenges of the first years (post-war reconstruction, ensuring world peace, re-organisation of multilateral economic, financial and cultural relations) and those of later sub-periods (inter-dependence, transnationalisation and regionalism) the international community adopted a multilateralist approach. This multilateralism, replacing the bilateralist and war-protectionist mainstream during the Big Crisis and WW2, created an unprecedented number of new interstate agreements and hundreds of international networks (IGOs and INGOs). This new approach was based upon the perception that a new global economic crisis and world war could be avoided only by a system with supra-national legitimacy and authorisation.

Among the new global IGOs, a decisive role was attributed to the United Nations in granting peace, security, equal rights and broad cooperation between nations; to GATT in liberalisation of trade and to the Bretton Woods institutions (IMF and IBRD) in reconstruction and consolidation of international financial system. The UN and its central bodies served also as a forum of presence for the two superpowers with their conflicts and clashes

while they found their own "national security embedded in bloc security" in separate military organisations (NATO and Warsaw Pact) dominated by them. Relative economic security of the two blocs was provided by the great powers and bloc-integrations (EEC/EC, EFTA and CMEA) while the elaboration and implementation of the principles of "human security" (human rights) of the Western European region was the task of the Council of Europe.

In the almost half a century duration of the bipolar world order the system of IOs showed a few basic characteristics. First, according to the contemporary perception of security prioritising its military and political components, a hierarchy was formed between IOs in which the UN, NATO and WP were placed in prominent positions along with a few regional networks of the same profile e.g. SEATO, CENTO, ANZUS, both in terms of doctrines, prestige and financing. Second, total bipolar antagonism of the Cold War was not limited only to political and military IGOs, other international forums e.g. specialised UN agencies like UNESCO and ILO became deeply politicised along with a number of INGOs with cultural and sport profiles. Almost each important IO existed and functioned under the open or hidden influence of superpowers, partly legitimised by quota-based financing. Third, the theory and practice of integration as a special type of IGO were present from the 1950s in the West, with a combination of economic and political missions. Such experiments were also seen in the Eastern bloc (CMEA or "ComEcon") and developing countries of the Third World, based upon the grandiose but hardly realistic slogan of "self-sustainment". Fourth, the period of Détente opened new prospects to East-West interactions from the 1960s, overvaluing IOs as a frame of international and European dialogue and cooperation. This process reached an advanced stage in the 1980s when, under the effects of global changes, East and Central European countries could gradually undertake a more active presence in international relations and organisations.

In general terms, it can be stated that IOs in bipolarity had given a positive contribution to the sustainment of a world order based on "calculable threats" and international balance of power. However, their efforts to maintain peace, develop international trade relations and handle global challenges remained only partly successful.

## 3. Changes in the world order

Among the changes that have fundamentally transformed the world order as well as the actors and agenda of international relations the following factors deserve particular attention in the context of the topic of this study:

- globalisation (of production, exchange of products and services, capital and financial markets, consumption), along with corresponding trends of divergence (fragmentation, localisation, regionalisation, anti- and alter-globalism); the fast globalisation of information, i.e. the information and communication revolution (ICR);
- the diversification of the notion of security; the relative reduction of certain sources of danger as "pre-modern and modern" types of risk, intensification of new risk types, both global and regional (international terrorism and crime, nuclear proliferation, political extremism and violence, religious fundamentalism, illegal and mass migration, changes in the natural environment and natural catastrophes, energy and food crises<sup>4</sup>;
- new policy models and development strategies adopted by the medium and small countries of the former Eastern Bloc, their road towards market economy, democracy and Euro-Atlantic integration; regional and local risks and conflicts in the post-Soviet space and the Balkans;
- unsolved global challenges related to the developing countries, the intensifying North-South conflict (including the destabilising role of "fallen" states that are incapable of adjusting to the international order) entailing a need for the re-assessment of security policies of individual states and the international security architecture;
- the upsetting of the international balance of power, following the collapse of the Soviet Union and the Eastern Bloc, followed by the enlargement of NATO; a shift towards the unipolarisation of world order, unilateral doctrines adopted and political steps taken by the United States of America (the issue of Iraq, planned deployment of a new missile system in Central Europe); conflicting interests of great powers, Trans-Atlantic debates, new security doctrines and new ambitions of the Russian Federation from the mid-2000s;
- as a consequence of unilateralist tendencies, a relative retreat of
  multilateral approach to conflict management and the emergence of
  contradictions between consensual basic principles of international
  law in connection with unilaterally interpreted doctrines e.g.
  sovereignty of individual states and non-interference versus the
  principle of the ban of genocide (Libya), sovereignty and territorial
  integrity of states versus the right to national self-determination (exYugoslavia, Kosovo), controversial issues of self-defence such as "pre-

<sup>&</sup>lt;sup>4</sup> For the enlarged version of the category of security and theory of regional security complexes, see the often-referred basic book of Buzan – Weaver - Wilde, 1998. In Buzan's approach, main security sectors are: military, political, economic, societal and environmental. From Hungarian authors see the study by Kiss J., 2006.

emptive strike" (Iraq), "extra-territorial operations" (Afghanistan), issues regarding the "export of democracy" (Middle-East and Africa); posing various challenges to international institutions (UN, OSCE) demanding reforms of their mission, principles, norms and modus operandi.

- traditionally tripolar world economy (US, EU and Japan) becoming multi-polar as a result of the dramatic speed at which the economies of China and India are growing, counter-balancing the overweight of the Euro-Atlantic region; the global effects of world economic and financial crisis started in 2007 and the overall need for its management.
- disintegration of the Westphalian system based on territorially defined nation states as subjects of international law and principal actors of international relations; some elements of a states' sovereignty absorbed by the functions of integration or challenged by autonomous sub-national entities (regions, governorates, counties, districts, cities, etc.); growing significance of non-state actors (NSA), transborder regions, regional and sub-regional groupings, trans-national companies (TNC), civilian and social networks, other players such as terrorists and their international networks;
- and, as a theoretical reflection of these trends, decline of traditional schools of thought in international political theory (realist, idealist, liberal, structuralist, functionalist, etc.) by the emergence of new ("neo-") or post-modern currents e.g. neo-liberal and neo-structuralist theories attributing a fundamental role to IOs in forming the NWO and moderating its controversies. <sup>5</sup>

The effects of these factors and processes in context of international organisations seem rather paradoxical. On the one hand, mainstream debates of the early 1990s concluded that such basic features should result in a narrowing space for international intervention and regulation, for two reasons. First, because of the end of bipolarity terminated cold war antagonism, and second, because of the dominant paradigm of free market economy and parliamentary democracy. As it was suggested by Ivan T. Berend and other influential economic historians, technological revolution and structural crisis in the last decades of the 20th century put an end to the dominance of global theories and solutions and the earlier forms of state-

<sup>&</sup>lt;sup>5</sup> As it is emphasised by some analysts, the collapse of bipolarity and the formation of the NWO can be attributed to the contribution of both states and IOs i.e. power relations and values reflected in the "pluralism of paradigms", a mixture of realist and liberal approaches in international political theories. Others hope that the present "world disorder" would open new prospects for theoretical research.

centrism were replaced by a "text-book type" liberal model that refuses all kinds of state and interstate intervention (Berend, 1994, p. 16-21).

However, real processes turned out to be different. International regimes survived or even enlarged because their raisons d'étre remained basically valid also after 1991. First, neither the demise of superpower confrontation nor the re-structuring of the notion of security reduced the need for international guarantees of security. The increasing significance of "geo-economic" dimensions did not mean the termination of local and regional military threats. On the contrary, the Iraq-Kuwaiti war, the post-Yugoslav wars, crises in Afghanistan, Iraq, Syria and Libya, old frozen and "orphan" conflicts in the Middle East and Africa, unforeseen and multi-dimensional risks like the post-9/11 rounds of international terrorism set a strong demand for international conflict management. Second, the demise of bipolarity has not resulted in an unproblematic relationship between great powers. After having lost its superpower status and burdened with serious crises, the Russian Federation, especially from the 2000s, has been striving at consolidating its great power position, partly by unlawful acts (annexation of the Crimea and intervention in the Ukrainian crisis) which called for adequate reaction by the international community, especially the UN, OSCE and EU. Divergencies in foreign policy strategies of Western powers, particularly US and its European partners, underline the unchanged necessity of Trans-Atlantic cooperation, namely NATO. Third, the survival of diverging economic, trade and financial policies of great and medium powers, particularly the strengthening neoprotectionist tendencies inspired by the world economic and financial crisis after 2007, also required international coordination.<sup>6</sup> Fourth, given the generally accepted principle of "indivisibility of security", the strong and secure position of Europe seems impossible without the security of its regions. Under such perception, European security is tightly connected with the modernisation, catching up, democratisation and integration of East-Central Europe (ECE) and West Balkans. And fifth, the diversification of international actors, particularly the marking presence of TNCs and NGOs require forums of dialogue and cooperation with them, in global and regional frames. To sum up: all basic functions of IOs (forum, dialogue, norm-setting, pressure and cooperation) have been continuously valid and necessary in NWO.

<sup>&</sup>lt;sup>6</sup> According to Simai's analysis, multilateral cooperation remains absolutely indispenseable in the following areas: international trade, international finances, global development policymaking and global environment protection. (Simai, 2009).

#### 4. Changes in IOs

The first 25 years of the NWO have already brought about several direct and indirect changes in international relations and organisations. A detailed analysis of all the effects of the processes of NWR on the doctrines, functions and organisational features of individual IOs would exceed the limits of this article<sup>7</sup>. Instead, the following chapter will focus on a few selected aspects of the change in actors, agenda and architecture.

As for actors, the overwhelming majority of IOs survived with almost unchanged names and missions. With the termination of traditional forms of global East-West division, dominant military and economic institutions of the Eastern Bloc (Warsaw Pact and ComEcon), along with other forums of multilateral political, economic, financial and cultural cooperation of ex-state-socialist states were dissolved, without successors. At the same time, the Western Bloc's major organisations (NATO, Council of Europe, EC/EU, EFTA) survived owing to new power relations and other historical circumstances. The collapse of the Eastern Bloc organisations generated a security vacuum in the ECE region with new security risks (transition crisis, ethnic conflicts, local wars, uncertainties in Russian politics, democracy deficit, masses of refugees, environment problems). In such a situation the most reliable and efficient way of reaching security by the countries of the region was the accession to the Euro-Atlantic institution system.

Systemic changes in East and Central Europe, the dissolution of federative states (USSR, Yugoslavia and Czechoslovakia), and the birth of new, sovereign countries increased the number of international actors. Newly obtained independence on the one hand and newly adopted foreign policies on the other, enabled the states of the region to become full members of universal and regional interstate organisations. Table 1 shows the data of enlargement of major IGOs in the period 1990-2017.

<sup>&</sup>lt;sup>7</sup> In the recent decades, several comprehensive books have been published providing a detailed description and analysis about most significant IOs (both IGOs and INGOs), e.g. Blahó - Prandler, 2005.

Table 1. The Enlargement of the Membership of Global and European Inter-governmental Organisations between 1990-2017

ORGANISATION	Number of member states in 1990	Number of member states in 2017	
United Nations	160	193	
OECD	24	35	
GATT/WTO	137	164	
IMF/IBRD	170	189	
Council of Europe	22	47	
European	15	28	
Communities/Union			
NATO	16	29	
OSCE	35	57	

Source: the organisations' homepages

New states obtained membership in the UN and its specialised and attached agencies almost automatically, a major part of ECE states were granted nonpermanent seats in the Security Council on a rotation basis in the 1990s 2000s and 2010s, others received leading positions in central UN bodies and UN agencies e.g. in UNESCO<sup>8</sup>. Similarly, OSCE also admitted the new states in an automatic way. The case of accession to OECD seems much more complicated and protracted because of the hard economic and political conditions of membership: the first candidates to be admitted in 1995-1997 were the Czech Republic, Hungary and Poland followed by Slovakia in 2000. However, up until 2017, Estonia (the only post-Soviet state) and Slovenia from the West Balkans were found eligible for full membership. As for GATT/WTO, the overwhelming majority of the countries (with the exception of Belarus, Moldova and Azerbaijan) could become members and all the countries are present in IMF and IBRD. Before 2017, NATO admitted all ECE countries plus the three ex-Soviet Baltic states and Slovenia, Croatia, Albania and Montenegro from the Balkans. The enlargement of the European Union has so far covered 13 candidates from the ECE, Baltic and West Balkan regions but no other post-Soviet states. In the given context, the most representative European institute is the Council of Europe where all ex-socialist countries of the continent are present except for Russia and Belarus.

<sup>&</sup>lt;sup>8</sup> A few examples: Miroslav Jeniča of Slovakia and János Pásztor of Hungary serve as UN Assistant Secretary General since 2015, Kálmán Mizsei was in the same rank in 2001-2006. Katalin Bogyai was chairing UNESCO General Assembly in 2011-13, the Bulgarian Irina Bokova has been acting as Director General of the same UN agency since 2009.

On inter-state level, some global and regional IGOs reacted to the changing political and economic environment by renewing their names and widening their mission and sphere of competence. A great survivor of bipolarity, the General Agreement of Tariffs and Trade (GATT) developed in the World Trade Organisation in 1994, also opened its products-centred original profile to liberalisation of trade in services (GATS), international movements of capital (trade related investment measures, TRIMS) and widely debated protection of authors' rights, licences, technologies (trade related intellectual property rights, TRIPS). Product and warden of Détente, Conference on Security and Cooperation in Europe (CSCE) became Organisation of Security and Cooperation in Europe (OSCE) also in 1994, obtaining new mandates in observation of the implementation of Helsinki obligations and the processes of security and democratisation of the post-Soviet area, the Balkans and ECE. Former military organisation of Western European states (without US presence) the Western European Union (WEU) terminated its activities which were absorbed by the Common Foreign and Security Policy (CFSP) and Common Security and Defence Policy (CSDP) of the EU, after 2010. On the basis of the traditional Alps-Adria Working Group various subsequent formations came into being during the first years of systemic change in ECE, symbolising the East-West cooperation. The Quadragonale of Italy, Hungary, Austria and Yugoslavia, became the Pentagonalae (the former countries + Poland) then the Hexagonale (the former + Czechoslovakia) expanded still further and became named as the Central European Initiative (CEI), having 18 member states by 2017. By the progress of European cooperation CEI profile was re-shaped in two directions. First, to enhance dialogue and exchange of experience between ECE countries with EU-membership and candidates. Second, to implement projects in climate protection, environment protection, energy, infrastructure development and tourism.

By the end of Cold War and the changes in the "Second World", modernisation strategies and relevant groupings in the "Third World" got into crisis. Earlier "socialist concepts" and strategies of "self-sustainment" (Import-substitution) fell against export-oriented "Tiger-models". The termination of political, moral and financial support from the ex-Eastern Bloc led to decreasing significance of some regional political organisations like AAPSO. The slogan of "New international economic order" disappeared and, in the lack of bipolar confrontation, the "group of non-aligned countries" lost its relevance in and outside the United Nations<sup>9</sup>.

<sup>&</sup>lt;sup>9</sup> Since the dissolution of one of its former key members, Yugoslavia, "Non Aligned Movement" (NAM) as a group has been trying to re-define its identity and mission which have become

At the same time, as products of the new wave of regionalism in the 1990s, new organisational initiatives were seen in Afro-Asian and Latin American regions, partly with aspirations towards economic integration, and some of them, e.g. ASEAN, MERCOSUR and Islamic Conference proved to be meaningful and long-lasting. Some of the developing countries took part in regional integration initiatives together with highly developed partner economies (Mexico in NAFTA, 1994 with the US and CAN).

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almost symbolic. "Group of 77"'s activities are focused almost totally on North-South debate in the UN.

From the 1990s, new organisational initiatives have come into being also in Europe, dominantly on sub-regional level. Major examples are seen in Table 2.

Table 2. New organisational initiatives in Europe after 1990

Organisation	Year of foundation	Members in 2018	Mission
Black Sea Economic Cooperation (BSEC)	1992	S-E Europe + RU, UA, AZ, GE, AM, GR, TR	energy, tourism, environment
Central European Free Trade Agreement (CEFTA)	1993	BA, ME, MK, MO, RS, AL, Kosovo	trade liberalisation
Central European Initiative (CEI)	1989	16 ECE states + IT	East-West Europe cooperation
Council of the Baltic Sea States (CBSS)	1992	DK, EE, FI, IS, PL, LT, LV, DE, NO, RU, SE	0),
Quadrilaterale (Q4)	1996	Founders: CR, HU, IT, SL (dissolved in 2010)	mutual asst. to
Regional Cooperation Council (RCC) (successor of SECI (1996) and Stability Pact (1999)	2008	32 European countries + US, CAN and 12 IOs	post-war reconstruction
Visegrád Four (V4)	1991	CZ, HU, PL, SK	Accession to EU and NATO, cooperation in various fields

Source: Nyusztay, 2014:pp. 325-326.

Beside sub-regional IGOs, an important dimension of new regionalism is represented by the wide range of direct cooperation between sub-national units (counties, governorates, cities), i.e. euro-regions and cross-border cooperation (CBC) initiatives. By now, more than 150 such networks have been formed in Europe including 60 in ECE, some of them have been granted legal personalities (European Grouping of Territorial Cooperation, EGTC). One of their main objectives is to support less developed, peripheral cross-

border regions and help them to catch up to the more advanced territorial units of the neighbouring states.

As prominent researchers observed (Hurrell, 1995, Inotai, 1994), the new wave of regionalism seen in Europe in the last quarter of a century, shows certain new features, compared to the "classic regionalism" of the 1950s and 1960s. First, while earlier initiatives (EEC, EFTA) aimed basically at trade liberalisation, the major part of new groupings follow multi-dimensional (economic, development, political, security, cultural and other) objectives. Second, in certain new networks (CEI, RCC) the participating states are on different levels of development. Third, sub-regional networks are attended also by ex-socialist countries as a result of new patterns of real self-government and open borders.

In the new world order, informal international gatherings of leading politicians and scholars, e.g. yearly conferences of World Economic Forum in Davos, surviving since the 1980s and its civil counterpart, the World Social Forum from the 2000s are of increasing significance in elaborating important proposals for handling economic crises and other global challenges. From the 1990s, the group of major Western economies (G-7) later joined also by Russia (G-8) became a well-known forum of high-level international discourse. In 1997, an enlarged, non-institutionalised interstate forum was formed by the 20 largest economies first on the level of Finance Ministers, then since 2007, the outbreak of the world economic crisis, it works at the Head of State level. G-20 activities are focused on coordinating collective actions of participants to avoid world crisis, providing high level forums for the discussion of global issues, to influence international norms, policies and rules by IOs. In recent years the particular attention of the G-20 has been attached to climate change and financial sector stability<sup>10</sup>. After the practical termination of previous Gformations, the G-20 remained the only "self-appointed" but broadly recognised world forum of informal decision making and mobilisation whose legitimacy comes from its efficient coordination of anti-crisis efforts by great economic powers and IOs. The G-20 is in permanent cooperation with a high number of global IGOs like the UN, WTO, IMF and IBRD and regional networks like ASEAN and the African Union.

In recent years, certain emerging great powers, mainly China, initiated the formation of new, alternative international organisations as rivals of existing IGOs, such as the IMF and the World Bank. As Kissinger noted in his famous book World Order, China, in order to strengthen its international position, is

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<sup>&</sup>lt;sup>10</sup> For such priorities of G-20, see Spencer – Hipwell, 2013, pp. 293-305.

planning to set up "institutions of its own production" (Kissinger, 2014). Such a new initiative is the Asian Infrastructural Investment Bank (AIIB) started with a capital of 100 billion USD and 30% of shares in Chinese hands and with German, French, British, Indian and Dutch participation<sup>11</sup>. Another significant and fresh Chinese initiative is the grouping titled "One Belt One Road" (OBOR), that aims at establishing an infrastructure network connecting East Asia with other parts of the continent on land and China with other countries by sea<sup>12</sup>. Certain sources also consider the Shanghai Cooperation Organisation<sup>13</sup>, the BRICS Contingence Reserve Arrangement<sup>14</sup> and the Organisation of Islamic Cooperation (former Islamic Conference) and its affiliated agencies<sup>15</sup>, as such initiatives. However, the recent experiences of these initiatives are not yet sufficient enough to confirm or deny their substitutory capabilities to challenge the positions of global IGOs in international security, trade and financial affairs.

 $<sup>^{\</sup>rm ll}$  http://www.scmp.com/news/china/policies-politics/article/1829095/founding-nationsattend-

signing-ceremony-china-led. Downloaded: 25th August, 2017

<sup>&</sup>lt;sup>12</sup> The basic document of the project, often called "the New Silk Road", was signed in Beijing on May 13, 2017, during the meeting of heads of states and prime ministers of participating states (China, Russia, Mongolia, Turkey, Myanmar, Pakistan, Nepal, Singapore). China offered a contribution of 100 billion USD to the starting investments of the trade corridor. India refused to participate referring to Chinese great power interests and the expectable violating effects of Kashmir's (occupied by Pakistan) involvement in the project to India's national sovereignty.

<sup>&</sup>lt;sup>13</sup> Shanghai Cooperation Organisation is a multilateral security, political and economic initiative signed on 26 April, 1996. Its activities really started in the second half of the 2000s. Its members in 2017 are: India, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan, Turkey, Uzbekistan. For details, see Nagy, 2016.

<sup>&</sup>lt;sup>14</sup> BRICS Contingent Reserve Arrangement (CRA) was set up in 2015 with the participation of BRICS by precautionary instruments. China is holding a relative majority (appr. 40%) of shares and voting power.

<sup>&</sup>lt;sup>15</sup> Organisation of Islamic Cooperation (OIC) (successor of Islamic Conference) was founded in 1996 and has 57 member countries. Its main objectives are to preserve Islamic social and economic values; promote solidarity and cooperation among member states in social, economic, cultural, scientific, and political areas One of its most significant affiliated organisations is the International Association of Islamic Banks (IAIB) founded in 1977, with the purpose of promoting the concept of Islamic banking and coordination between the network of more than 50 Islamic banks in the world, representing their common interests and providing technical assistance. As analysts suggest, Islamic banking system is on its road to become a strong rival of IMF and IBRD.

Until the last decades of the bipolar world order international relations were determined mainly by the hierarchy of nation states (Westphalian model) partly moderated by IGOs. By the increasing presence and role of nonstate actors, (NSAs) in the international scenery, states and IGOs are faced with a colourful complex of national and international non-governmental organisations in various fields of politics, security, arms control, religion, human rights, protection of social interests, environment protection, medical and humanitarian aid, science, culture, education, sports, etc. Associations of political parties and movements, trade unions and other groupings of civil activism also belong to the category, including non-governmental media <sup>16</sup>. Other important groups of NSAs are the trans-national productive and service companies (TNCs). In certain literary sources, international terrorist networks are also defined as components of NSAs <sup>17</sup>.

Though NSAs existed already in earlier historical periods, their role has become globally significant only since the 1990s. Among the reasons one could mention trans-border challenges insufficiently handled by states and IGOs (public security, financial security, social services, aid and development policies, migration). In these and related areas, NGOs play substitutional and additional roles, sometimes providing alternative implementation of their functions is facilitated by the lack of high bureaucracy and related costs present in IGOs practice as well as by the work of volunteers, increasing proportion of external financial sources, accumulated knowledge and working experience and by fast communication explained by the networking structure of NGOs. Those positive features of NGOs could be more utilised in international development and aid projects. 18

In the past decades the increasing economic power of TNCs and their massive presence, importance and popularity of global INGOs generated global

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<sup>&</sup>lt;sup>16</sup> For more details of INGOs and their categories see Blahó-Prandler, 2005, pp. 475-498.

<sup>&</sup>lt;sup>17</sup> E.g. in the study by Szörényi. 2014, pp. 181-182. Certain authors draw a simplifying parallel between NGOs and terrorists on the mere basis that both strive to press states to change their policies. Brooks-Wohlforth, 2009, p.58.

<sup>&</sup>lt;sup>18</sup> Hungarian researchers e.g. Gyöngyi Laufer point at the experience that inemational development and technical assistance to developing countries face considerable inefficiencies which cannot be compensated solely by quantitative enlargement of aid volumes and rescheduling national debt. Beside stimulation and acceleration of economic growth it would be absolutely required to explore really existing human interests and necessities and harmonise development assistance strategies with them. The conclusion here is to more actively involve the civilian factor i.e. INGOS and national NGOs in the process thus generating synergic effects to upgrade efficiency. (Laufer: 2015, pp. 1-13.)

controversies with nation states and IGOs. Major TNCs, whose yearly output is now comparable to the annual GDP of small or medium national economies, are further enlarging their sphere of influence, often violating rules e.g. in taxation, employment layoffs and by their "patriot practices" during crisis favouring central units to the detriment of their member companies abroad <sup>19</sup>. No-global (anti- and "alter-global") INGOs came up with harsh criticism and organised massive and violent attacks against regular meetings of the OECD, WTO and IMF/IBRD in the 2000s in Paris, Seattle, London and elsewhere which caused fear and turbulence both in the institutions concerned and broader public.

The reaction of IGOs focused on the more extensive involvement of NSAs in planning, dialogue and consultancy in their organisational framework. Dozens of major TNCs have become regular negotiating partners of the UN and global economic IGOs including regulations of their activities. Growing influence of INGOs like Internationals of political parties, World Federation of Trade Unions (WFTU), Caritas Internationalis, Human Rights Watch, Greenpeace, World Wildlife Fund (WWF), Médecins sans Frontières, ATTAC, Amnesty International, International Chamber of Commerce (ICC) and various lobby groups and other civil groupings and the new types of common tasks, raised a need to establish regular contacts and cooperation between IGOs and civil activists. Representatives of hundreds of INGOs, mainly those specialised in protection of social interests and human rights - out of 6000 nongovernmental networks (or 20.000, if major national level NGOs are to be included) - are regularly invited to the events organised by UN central bodies or specialised agencies, OECD, WTO and IMF/IBRD, while other multilateral organisations such as NATO, the Council of Europe or EU, have in recent years established a regular "NGO dimension" for their activity - by setting up separate units specialised in public relations, permanent contacts and joint actions. (And finally, sporadic "contacts" with terrorist groups, in emergency cases generated by hostage-situations, are rather kept by secret services of IGOs member states.)

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<sup>&</sup>lt;sup>19</sup> As it was found by Keohane and Ney and Risse-Kappen, TNCs' presence and activities always make an impact on receiving states' internal policies and international relations. Hungarian researcher Anikó Magasházi proved, on the example of Singapore and Chile, the validity of the model of mutual effects between states and their trans-national partners. The author reminds that in the UN structure, a specialised body was established in 1974, named Centre for Transnational Corporations, UN CTC) to prepare a Code of Conduct for TNCs to regulate their activities and moderate their aspirations. After unsuccessful efforts made by CTC its duties have been transferred to UNCTAD in 1983, however, no breakthrough could have been observed on the given area. One new conclusion is that in the recent period, nation states and IGOs face major challenges not from the side of TNC rather from national and global NGOs. For further details, see Magasházi, 2015.

- In the recent decades, fundamental changes in the world order brought about re-structuring in the priorities of issues on the agenda of IOs. Major attention has been devoted to regional and local conflict management, global risks, handling of 2008 world economic and financial crisis and North-South controversies.

The enlargement and diversification of global and local security risks generate an increasing demand for international conflict management and peace keeping. Such issues have become permanent and primary items of the agenda of the IOs concerned. More than two thirds of peace operations by the UN since 1948 have been done after 1990. In the period 2015-16 alone, more than 8 Bn USD of UN budget was devoted to such purposes making the given activities the relatively most important branch in the institution's budget end employment. In the 16 peace missions active in 2016, contingents from 122 member states participate delegating 90.000 military and 13.000 police staff, 1.800 military observers, 16.000 international and local professional experts and 1.700 UN volunteers, in civil wars and interstate-conflicts.<sup>20</sup> In the same period, NATO implemented 12 operations, the number of EU's peace missions (completed and in process) is 31. Organisation for European Security and Cooperation has conflict management missions and offices in 12 countries.

The most significant change here is the new character of peace operations. The traditional model of peace keeping was basically a function of military diplomacy focused on separation of conflicting sides, preparing direct negotiations between them and watching the observation of ceasefires, generally with a UN mandate. "Peace making" or "peace enforcement" is rather a military measure, taken with or without international mandate and not necessarily with the consent of the conflicting parties (the Yugoslavian war, Iraq). The newest and more complex version is "peace building" which gives priority to political solutions, conflict prevention, mediation and synergy of military, diplomatic and civilian dimensions on the one hand and the more effective cooperation with regional and local actors, on the other.<sup>21</sup>

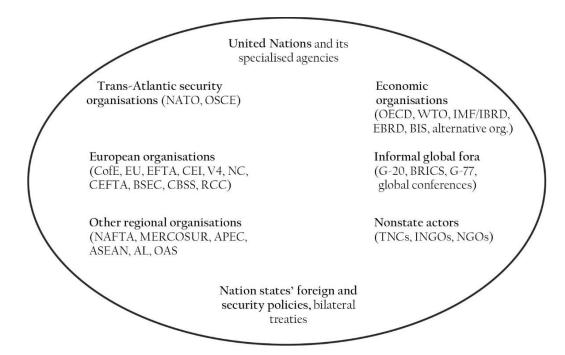
This idea of synergy is reflected in the enlarged perception of the circle of IOs as security providers. In the new world order, security is no more the exclusive

<sup>&</sup>lt;sup>20</sup> Role of United Nations in the international peace keeping (in Hungarian). http://ensz.kormany.hu/az-ensz-szerepe-a-nemzetközi békefenntartásban. Downloaded: 8th November, 2016

<sup>&</sup>lt;sup>21</sup> For more details, see the Report of June 16 2015 of the High-Level Independent Panel on Peace Operations submitted on the request of UN Secretary General Ban Ki-moon. In: The Future of UN Peace Operations. A project of the International Peace Institute.

task of political and military organisations alone. In harmony with the multidimensional perception of security, its architecture is also a multiple-actor game with the participation of global, regional and sub-regional networks on the one hand, and NSAs and states on the other, as shown in the model below:

Table 3. Security architecture of the post-bipolar world order in the new milennium



As it is seen above, classical actors as nation states, UN, NATO and OSCE continue to play decisive roles in the architecture, along with global IGOs providing economic, trade and financial security. A new component is provided by the political and military security dimension of regional integrations (EU CFSP and CSDP) and sub-regional groupings (V4 Battle Group, CBSS border control forces) and other initiatives such as the Shanghai Cooperation Initiative. Increasing the contribution of NGOs is directed at non-military crisis management (voluntary tasks of mediation. reconstruction, public services, humanitarian aid) However, the growing participation of regional networks and INGOs in conflict management is sometimes regarded as rivalry with traditionally accepted IGO activities.<sup>22</sup>

 $<sup>^{22}</sup>$  In his recent study about the place and role of UN in international mediation, Tetsuro Iji notices that this role is challenged by two factors: first, the interests of its key member states,

Another crucial element of the new agenda of IOs is their reaction to global risks and challenges. Among these global issues, mass poverty, environment pollution, water scarcity, world health problems, illiteracy and others have been the subject of almost permanent debates since major parts of them can be attributed to deficiencies and failures of government policies. However, since the 2010s, particular attention has been devoted to four major risks: climate change, international terrorism, migration and economic crisis management.

In the first decades of the new Millennium, climate change has become a burning issue. The massive emission of hydrocarbons started more than a century ago and resulted in a critical growth rate of global temperature by the 1970s. NASA statistical data proved that between 1880 and 2010 the world average temperature has risen by almost one degree Celsius caused by greenhouse gases and more than 50% of the rise has taken place since the 1970s (Kirval-Süner, 2017. p. 75-76).

This global threat has become an important point on the agenda of IOs, dominantly in the UN, since the last decades of the 20th century. The UN Conference on the Human Environment (UNCHE) held in 1972 was the first significant gathering followed by a series on international conferences and documents under UN aegis during 1990s and 2000s including the Kyoto Protocol in 1997 and the Copenhagen Summit in 2009, providing a forum for the exchange of ideas and experiences about the given phenomenon and its possible consequences to the human environment. However, it has become clear for the participants that long-lasting solutions need a broad international consent to reach decisions binding also the biggest industrial powers including US, EU, Russia and China, the highest emitters of hydrocarbons. This is why significant importance is attributed to the Paris Agreement adopted by the UN Conference on Climate Change held in November-December 2015. More than four decades after the first climate conference, the Paris Agreement finally contains hard limits of average temperature rise (below 1.5 grade Celsius up till the end of the century compared to the 19th century values), keeps greenhouse emissions within a manageable level, envisages regular periodic reviews and financial assistance

second, the "proliferation of mediators", including states (in Sri Lanka, Sudan, Lebanon, Yemen), regional organisations (e.g. African Union in Kenya) and INGOs (e.g. Humanitarian Dialogue Centre in Indonesia). Though UN is still having the advantage of the most legitimate representative of world community, mediation expertise and recognition of its regional and nonstate rivals are increasing. So the only solution could be a better coordination and cooperation between UN and the other participants of the "crowded mediation environment", developing effective partnerships and division of tasks. (Iji: 2017, pp. 84-96.)

to developing countries for their transition to renewable energy sources (Szőke, 2016, p. 3-6.)

The UN actions in general and the Paris Agreement in particular can be considered as positive examples of IOs' contribution to global risk management. However, serious worries emerge about the prospects of the implementation of the jointly adopted obligations. First, not all parts of the documents are legally binding and politically enforceable. Second, the obligations set up by the agreement are addressed to states not to TNCs which produce the dominant part of emissions. Third, the recent withdrawal from the treaty by US, one of the highest emitter states, could considerably decrease the efficiency of the common undertakings. Fourth, as it became clear during the debates, the readiness and will of implementation on the side of certain developing countries seem doubtful. And finally, the longish and cumbersome procedure of preparing and adopting the Agreement clearly shows the inefficiencies of decision making within the largest and most prestigious global inter-governmental institution.

The mentioned difficulties seem also characteristic to the handling of the other two global challenges, terrorism and migration.

The international community started to collectively react to terrorist acts during the 1960s when hijacking of aeroplanes and other unlawful actions against civil aviation became a serious security threat. The first legal document adopted by the United Nations to provide in-flight security was the 1963 Convention on Offences and Certain Other Acts Committed On Board Aircraft followed by eleven other legal instruments (conventions protocols) regarding the safety of aviation and maritime navigation adopted by UN central bodies and agencies up till 2014. These documents criminalise and make severely punishable the terrorist acts at airports, taking hostages, unlawful seizure of an aircraft or ship and of using them as a weapon or means of illegal transport of weapons or related material. During the Cold War period, important UN instruments dealt with the prevention internationally protected persons, unlawful possession of nuclear materials, control of plastic explosives, suppression of the financing of terrorism and other related risks.<sup>23</sup>

After the tragic events of 9/11 2001, UN counter-terrorism activities entered a new phase. By Security Council resolutions 1368 and 1373 the member states' right for self-defence against terrorist attacks was legalised, binding

<sup>&</sup>lt;sup>23</sup> For the list of international legal instruments see: United Nations Office of Counter-Terrorism pp.1-6.

obligations were imposed on member states including legislation, border control and international cooperation, and new organisational structures of counter-terrorism were established within the UN. In 2006, a broad Global Counter-Terrorism Agenda was adopted to harmonise the tasks and activities of UN agencies in their struggle against terrorism and violent extremism coordinated by a central task force. However, the major terrorist attacks in 2015-16 (Charlie Hebdo, Paris, London, Brussels, etc.,) and the rise of ISIS placed the whole issue in a broader dimension stressing the need for a deeper analysis of the causes of extremism including social challenges, problems of human rights, rule of law and the quality of governance as well as for a new approach to the handling of conflicts giving priority to prevention. But these new requirements are sometimes in collision with certain shortcomings of the UN e.g. the limits of the traditional model of peace-keeping, lack of experience with Islamic extremism, lack of consensus between member states, organisational bureaucracy, etc. (Einsiedel, 2016, p. 1-5). This is why in the latest documents of the UN (among others in the address of Vladimir Voronkov, UN Under-Secretary General for Counter-Terrorism<sup>24</sup>) the need for an "effective, future-oriented and balanced counter-terrorism programme" is underlined, built on prevention, research, analysis, peace-building, use of the internet, sharing of information and adoption of good practices.

During the recent decades the European Union has given a significant contribution to counter-terrorist struggle. After 11 September 2001, fighting terrorism became a top priority for the EU and its member states. With the emergence of the Islamic State the territories of EU member states have increasingly become the target areas of terrorist attacks. In the recent years, major cities such as e.g. Madrid, Paris, London, Brussels, Oslo, Barcelona, Manchester were victims of such acts claiming hundreds of human lives. In 2016 alone, 142 failed, foiled or completed terrorist attacks were registered and 1002 people were arrested for terrorist offences.

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<sup>&</sup>lt;sup>24</sup> The address was delivered in SC meeting dedicated to the 16th anniversary of the Council's resolution 1373 after the events of 9/11.UN New Centre. <a href="http://www.un.org/apps/news/story.asp?NewsID=57765">http://www.un.org/apps/news/story.asp?NewsID=57765</a>. .2580/2001/EC. Downloaded: 29th September, 2017

<sup>&</sup>lt;sup>25</sup> The first legal instruments after 9/11 were the Council's Common Position 2001/931/CFSP and EC Decree to start restrictive measures against individuals and organisations involved in terrorist acts. The documents define the categories of terrorist acts, criteria of compiling the lists of terrorists and their groups and contain specific measures to freeze financial resources of terrorist organisations.

In the relevant documents of the Union it is stated that terrorism threatens the member states' security, the values of democratic societies and the rights and freedoms of European citizens. On this basis the central bodies of the European integration have adopted a series of counter-terrorist measures and established competent structures for their implementation. Following the terrorist attacks of 9/11 2001 EU established a list of persons, groups and entities involved in terrorist acts and subject to restrictive measures. Later, in 2005, the European Council adopted the EU Counter-Terrorism Strategy to fight terrorism globally and make Europe safer. The strategy focuses on four pillars: prevention, protection, pursuit and response.

The Terrorism Action Plan adopted on the basis of the document provided the strategic framework for the EU's counter-terrorism policy and its internal and external actions. In recent years such actions included strengthening rules to prevent new forms of terrorism, reinforcing checks at external borders, enhancing firearms controls and creating a dedicated body to curb terrorist propaganda online. Special attention has been devoted to the fight against money-laundering and financing of terrorism, and to harmonizing the use of passengers' name record data for the prevention, detection, investigation and prosecution of terrorist offences and serious crimes. The Strategy has established the post of Counter-Terrorism Coordinator in charge of coordinating the work of the Council of the EU in the field of counter-terrorism and monitoring the implementation of the EU counter-terrorism strategy. Since 2014, counter-terrorism issues in the European Commission belong to the competence of the Commissioner for Migration, Home Affairs and Citizenship.<sup>26</sup>

Despite undeniable achievements in formulating common positions and strategies to combat terrorism, the EU still plays a secondary role compared to member states' competencies. The main controversies are rooted in the fact that member states are differently affected by terrorist attacks causing divergences in priorities, norms and perception of obligations in joint counter terrorism activities. Such divergences result in tension between common security policies and member state sovereignty, reluctance and bureaucratic resistance on the side of member state authorities, protracted debates about EU's role as effective coordinator or just a "conveyor of best practice" in the

For recent trends in EU counter-terrorism activity, see: EUROPEAN UNION TERRORISM SITUATION AND TREND REPORT EUROPOL, 2017. www.Europol.Europa.EU.

<sup>&</sup>lt;sup>26</sup> Counter-Terrorism – European External Action Service.
<a href="https://eeas.europa.eu/headquarters/headquarters-homepage/411/counter-ter...Downloaded">https://eeas.europa.eu/headquarters/headquarters-homepage/411/counter-ter...Downloaded</a>:
31st August, 2017.

fight against terrorism. Finally, the Union's contribution to the international counter-terrorist struggle has so far remained within the borders of the continent, cooperation with US and other major actors has brought modest results  $^{27}$ 

In NATO, the fight against terrorism was not among the original tasks. Counter-terrorism activities of the organisation started after 9/11, by the first ever application of Article 5 of the constitution for the military operation in Afghanistan against the Taliban. Within the framework of the enlarged version of the action (ISAF, 2003), the total number of NATO armed forces in Afghanistan grew to 130.000 by 2012, with the participation of 50 countries including 28 member states (Szenes, 2014, p. 4). The most important of NATO's post-2001 counter-terrorism instruments is Operation Eagle, the setting up of an AWACS radar control system to protect the airspace of the US and the Mediterranean expanded in recent years to other areas threatened by ISIS. A marking milestone in the history of the organisation's counterterrorism agenda was the 2014 Wales Summit which decided about the prolongation of the military presence in Afghanistan and confirmed NATO's readiness to deal with newly emerging security threats. By the document "Defence against terrorism program of work" of 2015, innovative techniques were adopted to prevent terrorist attacks and protect troops and civilian infrastructures. The program envisaged the protection of ports and harbours, defence against chemical, biological, radiological and nuclear weapons, contained biometric identification of persons and drew due attention to counter-terrorism capacity building in partner countries e.g. Iraq, Egypt, Jordan and others, including the training of local security personnel. In February 2017, new joint counter-terrorism structures were established such as "Joint intelligence and security division" based on NATO Joint Force Command in Naples and Centre of Excellence for Defence Against Terrorism in Ankara (Vince, 2017, p. 1-4).

However, as it has been observed by researchers, NATO is facing multiple challenges regarding its counter-terrorism tasks and activities. First, the Afghanistan operations have proved to be long, exhausting and partly successful both in political and military terms. Second, the organisation is lacking the member states' consent on such crucial issues as sharing of costs of counter-terrorism capacities and capabilities development, cooperation in intelligence, cyber defence, etc. Third, serious disagreements are observed in the distribution of responsibilities between EU and NATO on the one hand and about US President Trump's reservations regarding NATO's "degree of

<sup>&</sup>lt;sup>27</sup> For more details, see Argomaniz et al, pp. 191-206.

involvement into world affairs", on the other. Fourth, the legitimacy of counter-terrorism operations has become widely questioned during the post-Afghanistan actions (Iraq, Syria, Libya) also by public opinion of member states.

The ambiguous results of the counter-terrorism strategies of major IGOs made the leaders of great powers conclude that international efforts should be increased. An important development of the international counter-terrorism agenda is the recently achieved common position of the G-20. After the brutal terrorist attack in Manchester, May 2017, G-20 leaders adopted a joint statement on countering terrorism. The document reflects the Group's unanimous will for joint action. The signatories expressed their firm commitment on UN Global Counter-Terrorism strategy, on strengthening cooperation within INTERPOL and other IOs concerned and decided concrete steps e.g. to eliminate "safe places" for financing terrorist organisations in particular ISIS and Al Qaida. The statement envisages measures to combat radicalisation and recruitment, to address threats from foreign terrorist fighters returning from Syria and Iraq and to fight exploitation of the Internet and social media for terrorist propaganda, funding and planning.

International migration has been one of the most massive and permanent processes of human history for long centuries. In the beginning of the new millennium the exodus of migrants, dominantly from the Middle East and North Africa towards Western Europe has become a major global issue. By UN statistics, the number of registered immigrants (persons who were born outside the country of residence) has been increased by 38 per cent in the past two decades exceeding 250 Million. In 2015 alone, more than 500.000 new immigrants arrived in Europe. Various types of migration generated by political, security, economic, social, ethnic, environmental and other reasons ("push factors") and encouraged by demographic trends, labour market demands, higher living standards and secure conditions in the target countries ("pull factors") constitute serious challenges that require proper handling both on the level of national governments and IOs.

The issue of migration has been on the agenda of the United Nations and its specialised agencies for a couple of decades. The first important initiative was the formation of the International Organisation of Migration (IOM) in 1951. IOM has 166 member states and offices in more than 100 countries and its activities are focused on searching practical solutions and promoting international cooperation in migration issues and providing humanitarian

assistance to migrants and refugees.<sup>28</sup> However, the next decisive step was taken as late as in 2003-2005 when a high level consultative body named the Global Commission on International Migration was established consisting of top representatives of UNCHR, UNICEF, ILO, UNCTAD, UNESCO and other agencies. The group has organised and coordinated a series of programmes and actions to develop migration policies and strategies, to handle workforce mobility, etc. Such objectives also appeared in the agenda of the General Assembly and World Summit in 2013 with special attention to the interrelated aspects of international migration and world economic crisis.

The UN Summit in 2016, aimed at addressing the issue of the large wave of migrants and finding a common approach to coordinate actions, adopted the New York Declaration which expressed a joint commitment of the member states to protect the lives and human rights of refugees and migrants, to prevent gender-based violence, to provide education for children, to support hosting and receiving countries including humanitarian assistance. The directives include setting up a new framework of responsibility of member states, civil society partners and UN bodies to handle the challenge of migration including common burden sharing. The latest important UN event was the Summit on the Global Refugee Crisis held on 19 September, 2018.<sup>29</sup>

Migration to Europe entered a new phase in the mid-2010s. In 2015 and 2016 the EU experienced an unprecedented influx of refugees and migrants. More than 1 million people arrived in the European Union, fleeing from war and terror, political oppression, and poverty, as well as to reunite with family and benefit from better economic chances and education.

The European Union adopted a series of measures to deal with the crisis. These include trying to resolve the root causes of the crisis as well as increasing aid to people in need of humanitarian assistance both inside and outside the EU. Steps are being taken to relocate asylum seekers already in Europe, resettle people in need from neighbouring countries and return people

<sup>&</sup>lt;sup>28</sup>For more details about IOM see <a href="https://www.iom.int/about.iom">https://www.iom.int/about.iom</a>. Downloaded: 3rd October, 2017

<sup>&</sup>lt;sup>29</sup> After the Summit, US President Obama presented three suggestions to the participants to make concrete steps: first, to increase financing for global humanitarian appeals by 30%, second, to double the number of resettlement slots in receiving countries and third, to increase the number of refugees in schools worldwide by one million and the number of refugees with legal right to work also by one million. Brooking Report: The refugee and migration crisis: Proposals for action, UN Summit 2016. <a href="https://www-brookings.edu/research/the-refugee-and-migration-crisis-p...">https://www-brookings.edu/research/the-refugee-and-migration-crisis-p...</a> Downloaded: 29th September, 2017

who do not qualify for asylum. The EU is improving security at borders, tackling migrant smuggling and offering safe ways for people to legally enter the EU.

Among the measures recently taken by the European Union, two deserve utmost attention. One is the European Agenda on Migration proposed by the European Commission in July 2015. The Agenda included tackling the root causes of migration, rescue operations to save the lives of migrants, reducing migrant flows, reinforcing border protection by new Border and Coast Guard, opening safe pathways to legal migrants and showing solidarity at home and abroad.30 Union budget allocated for migration crisis management for 2016-2017 was enlarged to 9.3 billion EUR by which more than 252.000 human lives have been saved on migration routes in the Middle and Eastern Mediterranean.31 On the basis of the resettlement and relocation scheme adopted within the Agenda nearly 300.000 migrant have been relocated from Greece and Italy to receiving member states, by the end of 2017. However, the level of implementation of the scheme by member states has been uneven, therefore the Commission urged those states which remain in breach of their legal obligation to fulfil their allocation quotas according to the Council's decisions.32

The other important act was the EU-Turkey Statement signed in March 2016 aiming to stop the uncontrolled flow of migrants across the Aegean Sea and to provide legal ways for refugees to enter Europe. The EU and Turkey agreed that irregular migrants arriving on the Greek islands from Turkey may be returned to Turkey. The numbers of refugees and migrants coming from Turkey have been significantly reduced as a result. To facilitate the implementation of the agreement, the Commission allocated 3 Billion Euros under the scheme Facility for Refugees in Turkey, for 2016-2017. However, EU-Turkey relations in general and the practical implementation of the Statement in particular are not without hard political debates.

The massive migration wave in the mid-2010s caused serious challenges to European governments. Since capacities and instruments of state authorities proved insufficient to handle each aspect of the crisis, civil involvement and

<sup>30</sup>The EU and the Migration Crisis. European Commission, July 2017. http://publications.europa.eu/webpub/com/factsheets/migration-crisis/en/ Downloaded: 17th October. 2017

<sup>31</sup> EU 2016. Europa.eu/general-report/hu

<sup>&</sup>lt;sup>32</sup> European Union Press Releases. <a href="http://europa.eu/rapid/press-release1P-17-3081">http://europa.eu/rapid/press-release1P-17-3081</a> en.htm

participation have become necessary. Major international NGOs (INGOs) like Amnesty International, Médecins sans Frontières, Save the Children, SOS Méditerranée, NGO Committee on Migration, Global Forum on Migration and Development, Jesuit Refugee Service, Migrant Offshore Aid Station as well as a number of national level NGOs (of Italy, Germany, Spain, the Netherlands and other European countries) have been active in assisting the masses of migrants on European seashores and in the continent. In the recent years over 60 NGOs have observer status in UN IOM and cooperate in the fields of movement management, emergency and post-conflict situations, migration health, human rights, counter-trafficking, assisted voluntary returns etc.<sup>33</sup>

However, NGOs' participation may also include gathering and forwarding information, symbolic or direct political actions and exertion of political pressure on IGOs and nation state governments aiming at directing public attention to the crisis and the need of its proper management, with special regard to the safe rescue of migrants and protection of their human rights. Such an attitude and actions have generated also criticism on the side of certain IGOs and governments. EU border and coast guard agency FRONTEX expressed its worries and frustration in the international media from the end of 2016 about the controversies of rescue operations carried out by NGOs and their alleged contacts with human traffickers assisting illegal immigration to Italy.<sup>34</sup> While certain government authorities and IGOs concluded that NGOs constitute a "pull factor" for immigrants and the state monopoly on border control should be defended, prestigious international NGOs and reliable research sources emphasise and prove with data and empirical evidence that NGOs role in rescue operations is irreplaceable and highlight the contradictions in European migration policies. 35

In 2008, a financial and economic crisis started in the USA and expanded in a relatively short time to the entire world economy causing profound and long-lasting consequences in almost all sectors and dimensions. After the outbreak of the crisis, a major part of the attention and activities of leading international institutions was focused on crisis management.

<sup>&</sup>lt;sup>33</sup> Civil Society and NGOs. IOM homepage.

<sup>&</sup>lt;sup>34</sup> Are NGOs responsible for the migration crisis in the Mediterranean? The Conversation, June 20, 2017. <a href="http://theconversation.com/are-ngos-responsible-....Downloaded">http://theconversation.com/are-ngos-responsible-....Downloaded</a>: 3rd October, 2017.

<sup>&</sup>lt;sup>35</sup> For different positions in the debate see Cosumano and Heller-Pazzani, 2017.

Before and during such a series of harmful events, IOs faced the inevitable expectations by world public to be able to predict the threatening changes as well as to provide an effective contribution to international crisis management. From the retrospect of one decade, it can be concluded that none of the major economic IOs was able to signal, in concrete terms, the approaching massive bankruptcies and fall backs well before the outbreak of the crisis. This inertia and relative passivity can be attributed to the unpredictably multiplying risks and high speed of changes in the interconnected segments of global economy, and the relative lack of commonly adopted principles and methodology of nation state actors and their multilateral networks.

However, after realising the real dangers of the crisis, leading IOs decided to do something against the further deterioration of the conditions of the global economy with special regard to financial stability.

From the very beginning of the global crisis, the United Nations Organisation (UNO, UN) made a wide range of initiatives, resolutions and recommendations for the mitigation of the negative effects of the setback of economic growth, increasing poverty, climate change and food supply shortages. The UN, in cooperation with other global organisation offered a package of nearly 3 bn USD for supporting financial institutions and the most vulnerable national economies. Proposals and programmes were adopted for creating a global framework of macro-economic control and regulation, accountability of international financial networks, survey of sustainability of indebtedness of member states, and common undertakings against protectionism, etc.

From the UN specialised agencies, International Labour Organisation was the first to recognise the negative consequences of the crisis, particularly the fast increase of unemployment. Therefore, in June 2009, the International Labour Conference of governments, business organisations and trade unions adopted a Global Job Pact including guiding principles and minimum programmes of action to regulate the harmony between economic growth and employment, enhancing social security. The main objectives of the programmes were directed at the respect of employees' rights, including rights for association, ban of forced labour, termination of child work and discrimination at work, enlargement of sustainable unemployment allowance, consolidating social security, and initiating societal dialogue to find solution to the consequences of the crisis.

Action plans and programmes adopted by other UN agencies concentrate on a few profile-specific priorities in crisis management. UN Conference on

Trade and Development (UNCTAD) recommended to member state governments to stop protectionist measures applied after the outbreak of the crisis and encourage foreign direct investments (FDI) which considerably decreased at the end of the 2000s. UN Industrial Development Organisation (UNIDO) stressed the need for a "Green Industrial Revolution" including cleaner production, renewable energies and resource-efficient technologies. UN Food and Agricultural Organisation (FAO) made efforts to stop the globally increasing food prices, that pushed more than 100 million people to hunger, and to increase food supply in world market.

Organisation for Economic Cooperation and Development (OECD), as one of the oldest and largest multilateral economic institutions, has adopted a comprehensive plan for crisis-management (OECD Strategic Response), placing the main emphasis on sustainable growth and its basic conditions i.e. governance and financing. OECD anti-crisis priorities cover measures to enhance regional macro-economic cooperation particularly in the Asia-Pacific (ESCAP) area, replacing reaching sustainable agriculture and food security, using renewable energy sources. Such programmes, reflecting a "crisis-resistant" rather than "crisis-flexible" approach, and can help handling the main "triad of contemporary challenges", the economic setback, fluctuating food and energy prices and climate change.

In the decades before the global crisis, the International Monetary Fund (IMF), along with its "sister-institution", the International Reconstruction and Development (IBRD, World Bank) was playing a decisive role in maintaining international financial stability by regulating monetary policies of member states. The international community expected the IMF to bring adequate measures to manage the crisis, however, for such a grand task, the traditional practices used by the Bank proved to be insufficient. Therefore, in 2007-2009, the IMF adopted new strategies and methodology to fulfil the new requirement in almost all dimensions of its activities. In its philosophy IMF adopted long term strategies of financing economic reconstruction in target countries instead of short term measures to handle fiscal imbalances. The Fund introduced a new system of "high access precautionary arrangement" to offer huge credits to poorer countries willing to observe IMF recommendations. As for financing capabilities, IMF reserves were tripled by G-20 in 2009, reaching 750 Bn USD and 500 Bn USD new credits were granted to developing countries and East-Central Europe. In its internal governance, system was transformed offering better chances underrepresented (poorer) member countries in decision making. The Fund devoted more attention to the employment and training of central staff members with knowledge about the conditions and needs of low-income countries hit by the crisis. One of the most important new initiatives by the

IMF was the formation of the Financial Stability Board to promote global financial stability by cooperation between international financial institutions, banks and supervisory bodies.<sup>36</sup>

One of the most serious consequences of the global crisis was the decline of international trade and the revival of protectionism in nation states' trade policies including re-introduction of export subsidies and import restrictions by governments of major powers. These measures were strictly against internationally accepted rules and generated endless debates within the World Trade Organisation (WTO) and, as it was mentioned earlier, contributed to the failure of the Doha Round reflecting the deep gap between the interests of developed powers emerging economies and Least Developed Countries (LDC).

Similarly, strengthened protectionism was also present in the external economic policies of European Union member states. In the documents and recommendations adopted in the late 2000s the supreme bodies of the European Union stood against protectionist and other restrictive measures, however, the range of coordinated action of crisis management was relatively limited. The global crisis made a negative impact on EU member states, especially on Greece and post-socialist ECE economies. As it has been shown by researchers, such effects were primarily seen in the fall back of GDP growth, growing unemployment rate, decreasing FDI inflow and investments, growing deficit of balance of payments, lower consumption and growing social inequalities (Farkas, 2012, p. 52-68).

From the very beginning of the crisis, the EU actively contributed to the financial aid packages offered jointly by IMF and World Bank. The efforts of EU, in cooperation with European Central Bank were directed at the reconstruction of financial stability, security of savings, maintaining credit flows and introducing a better financial governance, curbing risky B of P deficit and state debt. In 2008-2011, European banking system was granted 1.6 billion Euros. European Stability Mechanism was also established with 0.5 billion credit capacity to help the most vulnerable member state economies (EU homepage).

The crisis showed the existing divergences between the Western EU states and the new members' macroeconomic development. One important lesson is the growing need for a multiple and common system of risk management

<sup>&</sup>lt;sup>36</sup> About the role of IMF in the crisis managements see details in Simai, 2009, Spencer-Hipwell, 2013 and Griesgraber, 2009.

beside fiscal policy regulation and a new mechanism of protection of more vulnerable member states economies.

Among non-European regional organisations ASEAN adopted an anti-crisis program in June 2009. The program devotes particular attention to monetary and fiscal incentive packages, sustainable growth and employment, eradication of mass poverty, macroeconomic balances with regard to regional financial stability. Particular measures have been started to support SMEs and regional infrastructure by the Asian Development Bank. The fight against protectionism and for free trade remained top priorities also of other regional and inter-regional groupings. Representatives of "post-liberal new regionalism" in organisations e.g. APEC and ASEM, as described by Annamária Artner, search for ways out of the post-crisis situation by accommodating the structure of globalisation with some corrections, while other networks like the Latin American MERCOSUR and ALBA rather committed themselves to basically changing the existing global frames and mechanisms to neutralise the negative effects made by the crisis on the region (Artner, 2009, p. 7-24).

The consequences and lessons of the crisis, particularly the role of IOs in crisis management, have been analysed by leading researchers of various countries. As they almost unanimously observed, the crisis management performance of traditional IGOs was not convincingly efficient mainly because of the controversies of mandates, slowness of decision making, lack of transparency, ineffective coordination and the limits of normative and analytical capacities of the secretariats. However, the most serious reason behind those deficiencies is rooted at the divergent level of great powers' commitment to institutional multilateralism. This was the reason that inspired the leading powers to activate the informal supreme forums of G-7, G-8 (as long as it existed) and G-20 or the Davos World Economic Forum. The most significant collective decisions about the handling of the crisis were taken within the framework of G-formations. The G-20 Group as the most well-known and largest noninstitutionalised forum of major powers held a series of meetings at the level of the Heads of member states providing a venue for making consensus and coordinating collective actions. As an important practical measure, the Group offered a 1.8 billion USD contribution in 2008 to the mitigation of the destructive effects of the crisis.

The Group made a number of directive recommendations to international institutions, UN, IMF, OECD, WTO, ASEAN about such crucial issues as the improvement of bank capital, discouraging excessive leverage, higher capital requirements for securitisations and liquidity risks, etc. One of the most decisive actions of the Group was the four-item reform package approved by

the 2008 April and November *G*-20 summits for the IMF that included the modernisation of its extremely liberalist and monetarist economic philosophy, reform of governance, improvement of staff competencies, and a substantial expansion of financing. Post crisis financial reform initiated by *G*-20 included also the of formation of the Financial Stability Board (FSB) as a "fourth pillar" of international economic governance beside the WTO, IMF and IBRD. By the decrease of the negative effect of the crisis in the 2010s this direct intervention of *G*-20 seems to be gradually declining (Spencer-Hipwell, 2013, p. 297-300).

One main lesson of the crisis can be summarised in the recognition that under certain circumstances markets need state/interstate intervention on both national and global levels. This raises the long-term necessity of multilateral cooperation in the world economy, as underlined by Mihály Simai, primarily in five areas: in the international financial system, in multilateral trade, in international legal systems, in global development strategy making and in the protection of international environment. International organisations can serve as catalysts in the process of setting new guidelines, norms and making actions. At the same time, the consequences of the crisis confirmed the need of an overall reform of the objectives and functioning of the more than 70-year-old global international organisations (Simai, 2009).

## 5. Efficiency and reforms

One of the new challenges before IGOs in the NWO is the issue of efficiency. The first years after WW2 witnessed a massive increase in the number of IOs based on the lessons of the Big Crisis and the war, namely that such fundamental issues as international peace, security and economic prosperity cannot be left for nation states alone which care about nothing but their narrow interests. Consequently, in the subsequent decades the mere existence of global IOs and their basic function as "security providers" made a tranquillizing impact on public opinion and rendered the aspects of costs, efficiency, and accountability untimely and of secondary importance.

After the collapse of the bipolar world order and re-structuring of global risks and threats, the question of costs-benefits emerged as a new aspect of international discourse about the broad circle of institutional actors of international relations from UN down to regional networks. Internal reports as well as academic analyses published from the early 1990s contained common findings and critical conclusions about serious shortcomings such as outdated doctrinal elements and objectives, rigid and inflexible structures, high level of institutional and procedural bureaucracy, insufficient competence of administrative staff. Extremely sharp criticism was expressed by governments of the US, United Kingdom, Australia and Western European

countries about UN agencies, World Bank and other economic organisations and programmes, demanding clear mandates, better performance, independent evaluations, effective leadership and governance, transparency and accountability in resource allocation, merit-based staff recruitment, more openness to criticism and complaints, etc. (Bouwhuis, 2014). The main reservations on the side of developing countries related to pro-Western biases and strong US-influence in the management including informal channels of decision-making ("corridor-diplomacy", "buffet-diplomacy") without their presence and voice.

Deficiencies, disfunctions of global economic institutions generated turbulent debates in the 2000s<sup>37</sup>. In the discourse, two main alternatives emerged: dissolution, or reform of the existing institutions and organisations.

Termination of existing IOs has not proved to be an advisable alternative for two reasons. First, because even the most ineffectively performing IOs' contribution could be regarded useful, at least temporarily, in the given field of international cooperation as was the case e.g. of the Western European Union. Second, because to abolish an existing IO is not an easy task. As it is shown by Bouwhuis on the case of UN Trusteeship Council, international tribunals and other examples, not only the creation but also the termination of an international organisation is a long and difficult procedure requiring numerous negotiating rounds and can be hindered by legal complications and the opposition of the staff (Bouwhuis, 2014).

Consequently, the architecture of international organisations has been basically preserved by introducing reforms in major global and regional IGOs and INGOs, touching upon objectives, structures, procedures and staff. The new thinking and reforms inspired by the New World Order will be presented below in four short case studies about two global IGOs (UN and WTO), one regional integration (EU) and one NGO (International Chamber of Commerce).

During the seven decades of its existence, the United Nations (UNO, UN) has given valuable contribution to the avoidance of a new world war and economic collapse, promotion of world peace, security and development. By its consensual mission and membership of 193 countries it is the largest and most

undeniable merits of UN and other IGOs. For these arguments, see Simai: 2015.

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<sup>&</sup>lt;sup>37</sup> Recognising the fact that the major part of criticism about IOs can be regarded as legitimate and justifiable it has to be mentioned that a number of critiques are not free from extremist, populist or radically anti-globalist approaches, questioning even the factual achievements and

comprehensive IGO in the world and capable of handling global and regional crises and controversies, mostly by observation, and mediation. The objectives of Millennium Development Goals adopted in 2000, have been partly implemented, absolute poverty decreased, access to clean water enlarged, and the fight against global diseases has brought considerable results. The new comprehensive document of Sustainable Development Goals was adopted and started in 2015 as a central program of action for the UN and its specialised agencies and other global IGOs. The 17 item programme's main objectives are: eradication of poverty and hunger, economic growth, affordable and clean energy, climate action, health, peace, justice and strong institutions, reduced inequalities, gender equality, quality education, etc.<sup>38</sup>

However, the experiences have shown that the performance of the organisation is not free from serious shortcomings such as its ambiguous efficiency as mediator in international conflicts, uneven coordination of international programmes, excessive internal bureaucracy and lack of transparency. Consequently, UN in the recent decades became a target of critical observations concerning its documents, activities, programmes, structures and functioning. As it is stressed by analysts, such failures of the organisation originate in the distance between its objectives and the real conditionality and limits of its functioning. Such distances (in Simai's words: "gaps") originate mainly in objective factors that have existed since the foundation of the UN, in changing extents and forms. In other words, norm-setting, political recommendations, provision international institutional and financial capacities and the implementation of resolutions were in many cases in collision with member states' interests, policies and possibilities (Simai, 2015, p. 15-18.). Other disfunctions can be attributed to the unsatisfactory preparedness and motivation of the managerial and administrative staff.

The reform process within the UN has been going on from the 1960s. As it has been stated by André Erdős, former Ambassador of Hungary to the UN, the reform thinking within US was accelerated mainly by the collapse of the bipolar world order and particularly by the events in post-Yugoslavia and Africa which changed the conditions of international relations and dramatically shocked the international public. The main objective of the reform suggestions presented during the recent decades has been to create better harmony between the activities and capabilities of the UN and the real requirements of the new international environment (Erdős, 2017).

<sup>&</sup>lt;sup>38</sup> Sustainable Development Goals – 17 Goals to Transform Our World. UN SDG homepage. Downloaded: 30th August, 2017.

The first significant experiment in the NWO was initiated by Secretary General Kofi Annan in 1996-97. The reform package, maintaining the basic objectives, contained a serious cut of central staff and expenses, streamlining the organisational structure, reform of decision making and reform proposals for the enlargement of the Security Council. The most important adopted measures were the formation of new UN bodies such as the Human Rights Council and Peace Building Commission. The report of the UN Secretary General adopted in 2015 focused on peace operations including the protection of civilians, application of force by peace keeping missions, issues of human rights, sexual abuses, gender equality and practical implementation of peace operations.

In the reform process, special attention has been given to the removal of obsolete provisions in the UN Charter which reform panels considered no longer relevant and proposed their removal. Such are the no more existing "trust territories" and "Trusteeship Council" (Chapter XIII)), the formally existing survivor of the Cold War, the "Military Staff Committee" (Article 47) and the famous reference to the AXIS member states in WW2 in the "enemy clause" (Articles 53 and 107). Since any modification needs a two thirds majority of the General Assembly of the UN including all permanent members of the Security Council, the process of the adoption of the suggested measures can be rather protracted and will ultimately depend on the consensus about the most debated issue of the UN reform package, the reform of the Security Council.

The reform of the Security Council has been on the agenda of the UN for two decades. In recent years the panel of 27 member states named Accountability, Coherence, Transparency (ACT), deals with the issue. Suggestions are directed at the enlargement of the Council with new permanent members (Germany, Japan, India, Brazil), conditions of permanent membership, introduction of new membership categories including regional representation, the right of veto, working methods of the SC and the its relations with General Assembly. The debate also covers such aspects as regular SC reports and resolutions, SC peace missions, cooperation with UN bodies and regional organizations, etc. It can be observed that so far, no final consensus seems to be outlined, and the approaches seem to be rather divergent and contradictory.

As analysts conclude, the UN has entered a new phase of its history, when it is expected to react to the changes of the global environment and come up with clear and definite decisions about its priorities and organizational functioning with special regard to decision making mechanisms. In this

aspect, high expectations were expressed by the international public opinion to the latest General Assembly on 18-20 September 2018. The session was held under the promising slogan "Making the United Nations relevant to all people: global leadership and shared responsibilities for peaceful, equitable and sustainable societies." The session expressed common positions in the need for a strengthened United Nations as the only global forum that can address the multiple challenges facing the world, from conflict resolution to climate change mitigation and sustainable development as well as "to promote and support a reformed, reinvigorated and strengthened multilateral system" (General Secretary A. Guterres). However, the approaches represented by various member states remained divergent in crucial issues as e.g. Iran's nuclear activities, international conflict management, the chances of a rules based global order, gender equality and others. Finally, while the importance given to multilateralism as the only way to address the problems facing humankind was broadly underscored and the high necessity of a UN reform was generally accepted by almost all the speakers, the details, including SC enlargement and decision making were not even touched upon by the interventions of such influential permanent members as the US, Russia and China. So, the dilemma of the UN seems to remain with us for the future.

An important example of doctrinal and architectural innovation can be observed in the post-1990 history of GATT/WTO. The Uruguay Round of General Agreement on Tariffs and Trade (1987-1994) confronted signatories of GATT with the new trends of the world economy: expansion of TNCs, increasing share of services in world GDP and trade, spread of informatics and telecommunication services, anomalies of trade in intellectual products, the need for regulation of foreign direct investments (FDI), etc. The US-EC debate about agricultural subsidies in the beginning of the 1990s threatened the collapse of GATT and the failure of multilateralism as a consequence of unilateral solutions adopted by US. However, the survival of regulated international trade cooperation was proved by the WTO agreement adopted in April 1994, that aimed at a comprehensive and institutional regulation of international trade including the reduction of subsidies, new anti-dumping rules, liberalisation of public procurement and other important areas. The World Trade Organisation (WTO) was established as the first ever multilateral institution to cover almost all the areas of the international flow of products, services and capital, to sanction violation of commercial rules (including intellectual property rights), protecting the interests of the less influential partners in world trade.

Experiences of the last two decades show that the WTO has made undeniable progress since its foundation. The number of members of the organisation has grown from 137 to 164 countries. By the accession of China (2001) and Russia

(2012) the WTO includes almost all significant trade powers of the world. The WTO has made important steps in its basic activities: implementation and modernisation of multilateral trade rules, settlement of disputes between members, and the regular supervision of trade policies of member states. Hundreds of WTO procedures and regular application of the rules of dispute settlement have strengthened and preserved the legal equality of members, the accountability of the international business environment and the avoidance of negative discrimination. Agenda and competences of the organisation have become considerably broadened (GATT, GATS<sup>39</sup>, TRIMS<sup>40</sup>, TRIPS<sup>41</sup>), institutional frames and functional mechanisms consolidated. In trade liberalisation the circle of exceptional treatment has been considerably reduced, dispute settlement has become faster, sanctions are broadly applied on violation of the rules. All this contributed to the spectacular growth of world trade both in volume and in its share in world GDP that has overreached 20% of world GDP, by the mid-2010s.<sup>42</sup>

However, the recent decades of the history of the WTO can be characterised also by failures and unsettled challenges. The "Doha Round" that started in 2001 and was supposed to be ended by 2005, and then by 2010 remains incomplete. The main causes behind this can be attributed to the controversies between the developed Western economies and their counterparts in the developing world on such crucial issues as the trade in agricultural and industrial products and services on the one hand and institutional functioning of the WTO, on the other. Developing countries accuse the US and EU of excessive dominance, selective liberalisation, undifferentiated handling of problematic issues and following non-transparent procedures and decision-making. Western powers label these positions as biased and criticise developing countries for their attempts at closeness, protectionism and unilateral advantages, stressing their openness and readiness to find compromises in all issues.

Though the global economic crisis of 2008 urged the WTO to find a way out of the stalemate; the Doha Round could not bring results. Politicians of members states, prominent WTO experts and independent researchers have been trying to find the direction of an overall reform that could lead the organisation out of the long-lasting passivity. Regarding reform proposals,

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<sup>&</sup>lt;sup>39</sup> General Agreement on Trade in Services

<sup>&</sup>lt;sup>40</sup> Agreement on Trade Related Investment Measures

<sup>&</sup>lt;sup>41</sup> Agreement on Trade Related Aspects of Intellectual Property Rights

<sup>&</sup>lt;sup>42</sup> For results and failures of WTO see Szarvas, 2015.

preferences of "South" and "North" can be separated. Western powers stress the importance of the respect of diversities, avoidance of undifferentiated approaches and pressures. In decision making they prefer "critical mass" instead of the rule of consensus and stand for the compensation of losers of decisions. Developing countries propose more democracy and publicity, open debates, transparency of procedures and decisions, an unbiased Secretariat and involvement of NGOs in WTO activities. Owing to the deep divergences in approaches an positions the recommendations of Doha Round could not be implemented, no new "rounds" could be convened and the major part of post-1995 conferences of trade ministers (MC) ended in failure or brought only formal results, including the latest MC held in Buenos Aires, in December 2017.

In such circumstances, no comprehensive reform plan could have been presented during the last two decades of the organisation's history. Among the partial but significant initiatives the "Bali Package" can be mentioned. Adopted by all members of the Ninth Ministerial Conference of WTO in Bali on 3-7 December 2013, the package, based on Doha Development Round started in 2001, aims at lowering trade barriers, streamlining customs administration, providing various preferences for Least Developed Countries (LDC) in food security, cotton trade and services. The signing of the agreement was delayed for quite a long time until India and Cuba reached a compromise with the US on disputed issues including food security and trade embargo.

The most active item of the Bali Package is the Trade Facilitation Agreement (TFA) signed on 22 February 2017, by 90 WTO member states including all major economic powers. The document is aimed at developing international trade by abolishing border delays, transit bottlenecks, accelerating the administrative processes and reducing costs. As it was stressed by the WTO General Director Roberto Azevedo, TFA is the first multilateral trade agreement concluded in the history of the WTO which is expected to boost global trade growth by 2.7 per cent per year by 2030 and reduce trade costs by an average of 14.3 per cent with African countries alone.<sup>43</sup>

Such undeniable but partial achievements do not decrease the importance of the major challenges that the WTO has to face in the second decade of the 21st

<sup>&</sup>lt;sup>43</sup> Main trade facilitation provisions set out by TFA are e.g. better information about cross-border procedures, reduced fees and formalities, faster clearance procedures, more effective cooperation between customs and other authorities. <a href="www.wto.org/tradefacilitation">www.wto.org/tradefacilitation</a>
Downloaded: 22nd February, 2017.

century. WTO high officials and independent analysts emphasise basically three risks. The first is the non-WTO conformation attitude of certain great economic powers or emerging economies. According to US and Japanese accusations, China, since joining the organisation in 2001, has not entirely adopted WTO rules, and follows a distorted model of heavy subsidies to its state-owned firms and refuses WTO conformation recommendations.

The relative stalemate in the modernisation and acceleration of WTO procedures encouraged a number of member states, to find alternative frames of international trade negotiations. One solution is provided by traditional regional integrations (European Union, NAFTA, MERCOSUR) and other regional or sub-regional networks like ASEAN or APEC. The other idea is the so called plurilateral groups of special trade cooperation favoured by major participants of global trade including China, Brazil and India. These small group deals constitute a serious challenge to WTO rules and the stability of international trade.

The second new challenge is the expected consequence of Brexit on international trade in general and on UK, EU and the WTO in particular. Observers agree that Brexit could make serious impacts on the actors' economies. Of course, much depends on whether a free trade agreement can be concluded between EU and Britain parallel to UK's leaving the Union in spring 2019. In the opposite case (called "hard Brexit") the UK would have to apply the same trade conditions to all transactions including those with EU member status and should re-define its rights and obligations within the WTO with the consent of all other member states. Such a prospect may raise hard to manageable controversies for all parties concerned. On the other hand, it also seems probable that the risks of Brexit to international trade may be reduced by the fact that new UK-EU tariffs may be relatively low, non-tariff barriers are prohibited by the WTO, and economic gains provided by independent trade policies should compensate British and European customers.<sup>44</sup>

The third and most recent challenge lies in the new foreign security and trade policy of the Trump administration. From the first days of Donald Trump's presidential cycle, the international community has been witnessing the lack

http://www.the guardian.com/business/2016/jun/07wto-chief...Downloaded: 9th August, 2018. For Brexit and WTO see also Collins, 2018.

<sup>&</sup>lt;sup>44</sup> In the opinion of WTO DG Roberto Azewedo, negotiations about post-Brexit trade conditions between UK, EU and WTO can be long and difficult lacking any precedent or accepted international mechanism.

of cooperation and constructive attitude to trading partners and frames including WTO. This started with the abrogation of Transatlantic Trade and Investment Partnership, threat to re-negotiate the North-American Free Trade Agreement (NAFTA) and the obstruction in appointing judges to the Appellate Body under the WTO dispute mechanism, which could leave it unable to hear cases after 2019. Naturally, the most threatening measure on Trump's side was that he imposed tariffs on steel and aluminium imports including those coming from US allies. The latest serious threat appeared in Internet portals earlier in 2018 about US intentions to leave the WTO. The US president is a hard critic of the organisation and believes that bilateral trade serves American interests better. On August 31, 2018, Bloomberg News reported Trump's open threat to leave the WTO unless the organisation imposes a ban on reciprocal tariff measures taken by US's trade partner states as a response to American steps. However, so far there is no direct sign of an extremely negative outcome. As is underlined by analysts, the US is one of the frequent users of the WTO's dispute mechanism and other services. In the event of leaving the WTO, US traders and consumers would be faced with raised tariffs and prices that could undermine competitiveness, profitability and economic growth. US trade minister Wilbur Ross and other high government officials denied the presidential intentions stressing that the US wants only profound reforms and change in the functioning of the organisation.45

What are the main directions of criticism and reform suggestions presented by politicians and researchers during the public debates about the present and future of the World Trade Organisation in the second half of the 2010s? Their common elements are:

- The WTO is an omnipotent, hyper-globalist organisation that represents the interests of multinationals and imposes its decisions on smaller member states. It should become a neutral and proper forum for trade disputes, a legal and broadly accepted manager of trade liberalisation.
- The WTO effects on particularly sensitive issues as agricultural trade remained partial. Negotiations neither cover such important areas as the protection of human rights and social safeguards.
- On the WTO agenda environmental issues are neglected. Global NGOs emphasise that trade liberalisation leads to environmental damages, at the same time developing countries resisted attempts to sanction the neglect of environmental and labour standards.

<sup>&</sup>lt;sup>45</sup> http://www.portfolio.hu/gazdasag Downloaded: 9th August, 2018.

- The WTO's functioning is not in harmony with the broadening of the circle of actors of international relations and increasing interest of public sense. The organisation has not devoted sufficient attention to the involvement of non-state actors as global NGOs and business communities in decision making.
- To evade WTO rules, major member states increasingly prefer forums and frames outside the WTO, like small group deals and plurilateral approaches thus challenging their WTO obligations.
- The legal and organisational system of the WTO cannot keep pace with the extremely accelerated global processes, like quantitative multiplication of finances, capital transfers, technological and economic changes, transformation
- Controversies in the internal functioning of WTO bodies and administration generate sharp criticism on the side of member states. The main complaints are about the slowness of decision making, lack of transparency, overweight of developed member states, inefficiencies of Secretariat, chairs and commissions, incompetencies of central staff and member states' representatives (Elsig, 2013 and Pongrácz, 2015).

Such shortcomings and challenges call for urgent and overall measures of corrections and innovation. Critics agree that, a successful and comprehensive reform should be based on the Doha Development Agenda placing the WTO on a more active and productive path again. However, the adoption and implementation of basic innovations are challenged by multiple interests and reservations. Therefore, one of the most significant reform suggestions in the 2010s has been the initiative to abandon the principle of consensus in decision making within the WTO. The proposal has not gone through the leading bodies of the organisation for the obvious reason of its possibly double effects: while it could expectedly make procedures less protracted, it could also question the legitimacy of the WTO by depriving its smallest member states of their rights of veto (Jones, 2014).

Under such pressures, the future prospects of the organisation have become an issue of international agenda. In the debate, two extreme predictions can be seen. The first, pessimistic view, represented by well-known foreign economic relations analyst Edward Alden and others envisages "the death of the WTO" as a hardly repairable consequence of the US-China trade war which has put an end to law-based predictability and consistency of trade

relations and challenges the perspectives of international governance and a fairer global economic order.<sup>46</sup>

The other extreme is the over-optimistic scenario represented by leading officials of the WTO. Deputy Director Alan Wolff, arguing with Alden's vision, wrote that it would be too early to bury the WTO, steel tariffs and other alarming issues can be resolved by cooperation of member states. GATT/WTO has always found the proper way to handle the challenges since WW2 up to the 2008 economic crisis and has had some recent achievements e.g. TFA, Information Technology Agreement or of the ban on agricultural subsidies adopted by the 10 Nairobi Ministerial Conference.<sup>47</sup>

Finally, it also has to be mentioned that the unsuccessful functioning of the WTO is not evaluated negatively by every actor of international community. On the contrary, certain NGOs consider the failure of 11 Buenos Aires MC to reach consensus in such crucial issues as e-commerce or agricultural subsidies as "a victory of the peoples of the world" over multinationals. Social movements such as Our World Is Not For Sale (OWINFS) representing 250 organisations in 50 countries or global trade federation Public Services International (PSI) of 163 countries expressed their position that "no agreement is better than a bad agreement" serving the interests of multinationals to the detriment of LDC countries (Drummond, 2017).

In sum, the recent past and present of the WTO seems rather controversial along with its future perspectives. However, the events and processes of the more than two decades of its history have proved that the proper handling of the effects and risks of globalisation would need efficient international regulation based on mutual concessions and balance of sovereign interests and obligations.

The European Union is the oldest and most developed integration of world economy. During the decades after the signing of its basic treaties, the EU has developed into a functioning economic and (partly) monetary union of 28 member states covering the major part of the territory of the continent. In the consensual evaluation of analysts, the Union has given an undeniable contribution to world peace and sustainable development in Europe, free flow of goods, services, capital and persons and socio-economic cohesion of member states.

https://www.cfr.org/blog/trump-china-and-steel-tariffs-day-wto-died Downloaded: 9th August, 2018.

<sup>47</sup> Ibid.

However, during the more than six decades of its history, the Union has always been facing serious challenges. After the collapse of the bipolar world order, these challenges have become comprehensive and acute, putting member states and EU leading bodies into dilemmas.

Table 4. Main dilemmas before the European integration in the new millennium

economic growth	VS	social cohesion
enlargement	VS	deepening
bureaucracy	VS	institutional efficiency
global role	VS	European influence
"security consumer"	VS	"security-provider"
effects of crisis	VS	crisis management
united Europe	VS	multispeed Europe
societal support	VS	legitimacy-deficit
uncontrolled immigration	VS	new immigration strategy
federalism	VS	interstate cooperation
higher level of integration	VS	stagnation, fragmentation

Efforts to address these dilemmas can be seen in major documents directed at various reforms of objectives, structures and functioning of European integration.

The Maastricht Treaty signed in February 1992 has brought about two major changes. The first was the formation of the "pillar system" including three extended policy dimensions: the European Community based on a wider and more supranational economic policy structure than its predecessor, the European Economic Community, and the second and third pillar, as the proper reaction to the demand for the extension of the EU sphere of competence to non-economic areas as the intergovernmental cooperation in foreign and security policy as well as justice and home affairs. The second reform step was the introduction of "Maastricht criteria" in fiscal indicators for member states to enter European Economic and Monetary Union (EMU) as a method of further deepening integration.

The next important reform initiative was the Amsterdam Treaty which entered in to force in May 1999. The document focused on the modernisation of the European Treaties by removing obsolete articles and incorporating new ones. New chapters addressed issues of high public concern such as legal and personal security, immigration and fraud prevention. The Union aims to establish an area of freedom, security and justice for its citizens. The Schengen Agreement has now been incorporated into the legal system of the EU. Common Foreign and Security policy was supported with new principles and measures including the creation of the post of High Representative for EU CFSP. In EU decision making, the Treaty has brought certain reforms providing a stronger role for the European Parliament in the co-decision procedure with the European Council and towards the Commission. Qualified majority voting and "constructive abstention" were also adopted.

A significant milestone in EU recent history was the Treaty of Lisbon signed in December 2007 and valid since December 2009, as a replacement of the previously rejected Constitutional Treaty. From the lengthy document only, the main directions of foreign policy and institutional reform measures will be mentioned here. Regarding EU foreign policy, the document underlined that it should be based on the principles of universal human rights, democracy, development and humanitarian assistance as well as on alliance and cooperation with non-member states who share these principles. The Treaty confirmed the position of the High Representative of CFSP regulating his/her election procedure as vice-President of the European Commission supported by the European External Action Service. Confirming or further developing the resolutions of the Amsterdam Treaty, the document adopted the system of weighted votes, extended qualified majority voting, reduced the number of Commissioners and appointed a full time Council President for a period of two-and-a-half years.

In the 2010s, the European Union is facing new challenges and dilemmas. Effects of the global economic and financial crisis, the issue of massive immigration with its economic, security, social, cultural and other consequences, the Ukrainian crisis, failure of Brexit-negotiations and the often controversial and uneven reactions by the European Union leading bodies to the new challenges – all these factors have contributed to the emergence and strengthening of euro-sceptic, populist and anti-EU voices in the European scene and to the sharpening of the debate about the future of the European Union. Unlike radicals who do not believe in positive outcomes and argue for the termination of the European project, serious analysts propose constructive actions and reforms. Hungarian researcher Attila Ágh attributes the reasons for the crisis of the European integration to the divergence and alienation between the Core-Eurozone and the Periphery of new member

states from East-Central Europe and suggests dealing with the special problems of the latter i.e. to move towards a more symmetrical and balanced integration and Cohesive Europe (Ágh, 2016). Harvard Professor Dani Rodrik's famous "trilemma" suggests that democracy, national sovereignty and global economic integration are mutually incompatible. In the EU, states are economically interconnected, but politics remains on national level, consequently the solution might be either tighter political integration or a loosening economic interconnection (Rodrik, 2018).

Leaders of the European Union agree that the global changes in the New World Order have created new challenges for European integration to which EU has to react by opening "a new chapter of the European project" (Jean Claude Juncker). The contribution of the Commission to the opening of the new chapter has been summarised in the "White Paper on the Future of Europe – Reflections and scenarios for the EU27 by 2025" (European Union 2017). This document outlines five scenarios for the middle-range future development of the Union. Scenario 1 ("Carrying on") suggests continuing the ongoing joint reform-agenda focusing on jobs, growth, investment, strengthening the single market and single currency, citizens' rights, defence cooperation and common border control. Scenario 2 ("Nothing but the single market") concentrates on the single market of goods and capital while all other fields of integration are relatively neglected or remain on today's level. Scenario 3 ("Those who want more do more") envisages "coalitions of the willing" doing more together in specific areas e.g. defence, security, taxation, social matters, etc., Scenario 4 ("Doing less more efficiently") proposes to focus attention and resources on a selected number of areas like trade innovation, security, border management, digital Europe, etc. and stop acting in areas with less added value. Scenario 5 ("Doing much more together") means a united EU with single market and complete economic, fiscal and monetary union, greater coordination on taxation and social matters, faster decision making.

The final conclusion of the Commission is that regardless of which of the scenarios will come to pass, Europeans should fight for common values such as peace, freedom, tolerance, solidarity, equality and democracy. These values were confirmed by the Rome Declaration of March 25,2017 issued on the 60th anniversary of the Treaty of Rome envisaging a future image based on a secure and protected Europe, a prospering and sustainable Europe, a social Europe and an internationally stronger Europe.<sup>48</sup>

<sup>&</sup>lt;sup>48</sup> https://www.consilium.europa.eu/hu/policies/eu-future-reflection/ Downloaded: 6th October, 2018

As for the future of EU's external relations, High Commissioner Federica Mogherini finds the keyword in "connectivity". Connectivity within and outside the Union has to be sustainable, comprehensive (from West Balkan to South-East Asia) and regulated. These objectives will be served by the construction of Trans-European infrastructure, a transport network between Europe and Asia, building infrastructure partnerships with China and ASEAN and promoting the financial background of such common undertakings in cooperation with the European Investment Bank, the Asian Development Bank and other partners.<sup>49</sup>

The International Chamber of Commerce (ICC) was founded in 1919, in the aftermath of WWI to promote international trade and investment by the private sector and regulate responsible business conduct. During its almost one century long existence the Paris based ICC has become one of the largest non-governmental business organisations of the world: at present it has 6.5 million members in over 40 thousand private sector companies and associations of more than 130 countries in every region of the world. One of its basic objectives is to support multilateralism and address global challenges.

Activities of the ICC are business rules and standard setting, policy advocacy and international dispute resolution. The latter is the main function of ICC practiced by the International Court of Arbitration established in 1923.

Since its birth, activities of the ICC covered a broad field including creation of Incoterms rules (1936), participation in the formation of the UN Charter and GATT basic documents (1940s), coordination of the activities of national chambers of commerce (continuous). The ICC was the first international business organisation to issue anti-corruption rules in 1977. During the 2008 global economic crisis, the ICC submitted reports to the WTO to analyse trade finance shortages and explore possible methods to address them. Recently, in 2015, the ICC Academy elaborated on projects to promote professional business education<sup>50</sup>.

In December 2016, ICC was the first business organisation to be granted observer status at the United Nations as recognition of its part in handling global challenges such as climate change and shaping the 2030 Development

<sup>&</sup>lt;sup>49</sup> Mogherini unveils EU response to New Silk Road. Euractiv.com. Downloaded: 3rd March, 2018

<sup>&</sup>lt;sup>50</sup> For details see <a href="https://iccwbo.org/about-us/who-we-are/history">https://iccwbo.org/about-us/who-we-are/history</a> Downloaded: 10th August, 2018

Agenda. With this gesture, the UN also recognised the role of the ICC as a civil society organisation in setting business rules and their observation.

As major international surveys show, the ICC has become the most preferred arbitral institution in the international business community. Since its formation, the ICC International Court of Arbitration has addressed more than 22.000 cases from around the world. In 2017 alone, a total of 810 new cases were filed to the International Court of Arbitration involving 2.316 parties from 142 countries.<sup>51</sup>

Similarly, to IGOs functioning in the field of international trade and finances, the ICC comes under criticism from its internal partners and external actors. In recent decades, member organisations often criticised the arbitration processes pursued by the ICC for the lack of transparency and the extreme length of procedures. Regarding both complaints, considerable changes have taken place in ICC practice since October 2015, when a new document titled Note to Parties and Arbitral Tribunals on the Conduct of Arbitration was issued. The document refers to the broader publicity of the ICC Court practice and resolutions, including possible exclusions or replacement of arbitrators and obligatory disclosure of circumstances leading to business conflicts, problems of impartiality, etc. (Jamka, pp. 1-2.) The lengthiness of arbitration procedures has been a complicated but real problem considering that the waiting time for arbitration verdicts was, in many occasions, longer than a year. To shorten this time, the ICC introduced a new regime of Expedited Procedure in 2017, including the appointment of sole arbitrators, limiting the number, length and scope of written reports, conducting tribunal hearings via telephone, email and video conferences, etc. As a result, final verdicts should come out within a maximum of six months and delays are seriously sanctioned (Kang, 2017). In order to make the procedures easier and faster, the Secretariat opened offices also in Paris, China and Hong Kong.

"Critic from outside" since the early 2000s, comes from NGOs and research centres as a part of their anti-globalist campaigns. The essence of the criticism is that the ICC is dominated by large transnational corporations who use it for promoting their interests on international political and economic forums. Analysts of Corporate European Observatory (CEO) underline that major TNCs utilise the regular access of the ICC to the decision making bodies of UN, WTO, OECD and G-formations for influencing the agenda and resolutions of the latter through their lobbyists, legal experts and corporate

https://icewbo.org/media-wall/news-speeches/major-survey-confirms-icc-preferred...Downloaded: 10th August, 2018

leaders. Their efforts are directed at total liberalisation of trade and investments causing harmful impacts on environment, human health and rights as well as democracy<sup>52</sup>.

The reaction of ICC leaders to such criticism is twofold. First, they insist on the Basic mission of the organisation in trade liberalisation and stress that the seven decades of the rules-based trade promoted by the ICC "has fuelled unprecedented job creation and poverty alleviation". 53 Second, the ICC in the second half of the 2010s has made a number of progressive changes and initiatives both in its programmes and in the cooperation with its IGO partners. One of these new accents is to address mass poverty in the world by promoting inclusive and sustainable growth. The other new direction is the support of Small and Medium Enterprises (SMEs). During the BA Business Forum held in December 2017, the ICC submitted a recommendation to the WTO on a new global agreement to support e-commerce for SMEs to enhance their access to the world market. Also, in the framework of the cooperation with the WTO, the ICC supported the proposal of the Innovation Service Network of Asian Association of Business Incubation (AABI) to assist small businesses in Asia's technology sector by matching them with partners in cross border technology transfers and trade<sup>54</sup>. The third direction is to support global IGOs' new priorities and programmes to safeguard the interests of small and more vulnerable actors of the world economy and trade. So, in the joint statement of the ICC and UNCTAD leaders issued in January 2016, the two organisations stood for the strengthening of fair competition and consumer

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<sup>&</sup>lt;sup>52</sup> Corporate Europe Observatory (CEO) suggested "to replace the current unfair and oppressive system with a new, socially just and sustainable trading framework for the 21st century.....governments should withdraw the privileged status they have granted corporate like the International Chamber of Commerce..." 10th October, 2018. http://archive.corporateeurope.org/icc/icc intro.html Downloaded: Similar suggestions were formulated by a Hungarian NGO Egyetemes Létezés Természetvédelmi Egyesület - ETK (Universal Existence - Association for the Conservation of Nature) describing ICC as the "representative of supranational business world", whose main objectives are the "selling of globalisation", avoidance of legal regulation of global business world, improvement of the image of TNCs and influencing the major IGOs in such directions. In: International Chamber of Commerce - A world power behind the scenes. http://www.etk.hu/gyarmat/icc.htm. Downloaded: 10th August, 2018

<sup>&</sup>lt;sup>53</sup> Cited from an open letter by ICC Secretary General John W.H. Denton published in Financial Times in June 2018. <a href="https://iccwbo.org/media-wall/news-speeches/g20-leaders-must-seize-opportunity-w...Downloaded">https://iccwbo.org/media-wall/news-speeches/g20-leaders-must-seize-opportunity-w...Downloaded</a>: 10th August, 2018

<sup>&</sup>lt;sup>54</sup> By the end of 2018, 20 micro-, small and medium enterprises are expected to get involved in the program. http:// iccwbo.org/media-wall/news-speeches/icc-wto-announce-selection-new-proj...Downloaded: 10 08 2018

protection in world trade.<sup>55</sup> The new reform thinking is also reflected in the ICC Programme of Action 2017-2018, including such principles as e.g. the recognition of valid defects of globalisation, the need to ensure everyone has the opportunity to benefit from global trade, and programmes as ICC Antitrust Compliance Toolkit for SMEs, corporate responsibility and human rights, anti-corruption and business ethics, fight against counterfeiting and piracy, environment and energy issues and climate change.<sup>56</sup>

## 6. Summary and conclusions

From the beginning of the 2010s, international debate about the present and future of the world order seems to reach a new round. Prominent researchers of international economic and political theory suggest that "by the relative weakening of global military and economic influence of the USA, the postbipolar stage of history defined as unipolar world order has ended and world policy developments and the great economic crisis have accelerated the formation of a new multipolar global power system" (Simai, 2013 p. 462. and 2015, p. 18-20). Their arguments about a new stage are based upon various factors such as multipolar character of world economy with the emerging economic power of China, India and other BRICS countries; the new security doctrine of Russia and its interventionist operations in neighbouring territories regarded "near abroad" generating confrontation with USA and EU including intensive NATO presence around Russia; new emphases in Donald Trump's foreign policies; new forms of international terrorism and the emergence of ISIS; deepening of North-South gap and new wave of migration; inability of IOs to handle new challenges, crisis of EU, Brexit; growing scepticism and populist, nationalist opposition against major IOs.

No doubt, the mentioned trends are of high importance and need collective wisdom and adequate handling by the international community in the spirit of international law and cooperation. However, the outlined phenomena could hardly modify the fundaments of the NWO. Economic power has really become more fragmented, but the US is still ranking no. 1 in a number of basic indicators of natural endowments, industry, agriculture and services, science and technology innovations and international finances. And as for military power, US remains, at least for medium run, without competent rivals as the

<sup>&</sup>lt;sup>55</sup> International Chamber of Commerce and UNCTAD pledge to work together on 2030 Development Agenda. http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1192. Downloaded: 10 08 2018.

<sup>&</sup>lt;sup>56</sup> ICC Programme of Action 2017-2018. ICC. <a href="https://icewbo.org/publication/icc-programme-action-2017-2018/">https://icewbo.org/publication/icc-programme-action-2017-2018/</a> Downloaded: 10th August, 2018.

only great power capable of undertaking obligations far outside its national borders.

The new trends in world politics and economy have raised new challenges to international institutions. In international debates, prospects of survival of the existing international system and the chances of a "global governance" appear as permanent themes. Political leaders, researchers and public opinion influencers generally agree on certain basic points of which I share mainly three. First, that the multilateralist approach adopted by international policy makers after WW2 has proven its rationale and positively contributed to the sustainment of world peace and security, international trade and various forms of cooperation between nations. International institutions, global and regional, formed from the second half of the 20th century have reached undeniable results in such crucial issues and peace building, the fight against international terrorism, removal of trade barriers, managing global economic and financial crises, facilitating the free flow of products, services, technologies, capital and persons across national borders, enhancing the flow of information, cultural and sporting exchanges. Multinational organisations have proven their capabilities not only in mere survival and compliance with the new conditions but also in actively influencing the international environment and processes by providing forums for international dialogue, setting norms of behaviour, applying pressures and sanctions, etc.

The second consensual point is that multilateralism of our age, beside its fundamental achievements, is facing major challenges. Efforts of international organisations including the UN and its specialised agencies to handle such complex issues as poverty, environmental damage, climate change, terrorism, religion and ethnic based violence, regional and local crises, and massive illegal migration have remained so far only partly efficient. The factors behind this relative lack of success include certain political and organisational shortcomings e.g. outdated objectives, rules and structures, lack of transparency and innovation, slow and influenced decision making, administrative overweight, uneven finances etc. I think one has to agree with the view that the global financial crisis in 2008 "arrived in proper time" proving that the changes in global economy, trade and finances raised the need for fundamental changes on the side of multilateral institutions in observing, regulating and managing international economic and other processes (Ágh, 2017, Monori, 2009).

The third and final consensual point appears as a consequence of the limits of the present multilateral construction outlined above. Namely, the untimeliness and unreality of the concept of a "world government" in its classical perception as an all-comprehensive and "almighty" super state

structure of power fully mandated by nation states to manage the affairs of the world. Instead of such an imaginary structure a more realistic solution could be proposed i.e. a new concept of multilateralism directed to the overall, serious and innovative reform of basic international institutions and organisations including a clear distribution of duties and competencies as well as an organic cooperation between them.

Of course, such a project would need a new consensus between the major powers and a minimum of cooperative attitude on the side of all actors in the international arena. To reach the necessary level of understanding, two extreme approaches should be overcome. One is ultra-globalism that overemphasises the supra-state level of decision making and denies nation state sovereignty, while the other, represented by political actors as Donald Trump or certain European movements who give priority to anti-multilateralist positions and populist ideas. The positive and balanced way out should be found by international institutions and nation state governments together.

As a final conclusion it can be summarised that the examined processes and changes maintain the objective need for international organisations to adopt long-term perspectives in handling the major challenges, conflicts and crises before the world community. The common and main task of the United Nations, other global institutions, as well as emerging regional organisations and nonstate actors remains to find adequate answers to global threats and to prevent fragmentation of the globe to competing and conflicting states.

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