



PROJECT MUSE®

---

## Fairness, Globalization, and Public Institutions

Dator, Jim

Published by University of Hawai'i Press

Dator, Jim.

Fairness, Globalization, and Public Institutions: East Asia and Beyond.

Honolulu: University of Hawai'i Press, 2006.

Project MUSE., <https://muse.jhu.edu/>.



➔ For additional information about this book

<https://muse.jhu.edu/book/64094>

ity. There should be strict limits on the use of toxic substances or hazardous technologies, a ban on toxic products, and the minimization of the volume of toxic waste and pollution. Of course, to make this move toward a better global order possible, there must be people's participation, because the radical changes being called for can be realized only when there is popular will. It is crucial that information be provided to the people through the media and popular education methods and that the people are given the freedom to make their views known to the policy makers and to others.

It should be stressed that the elements proposed here for a fair and sustainable global order have to be taken together, as a package. Social justice, equity, ecological sustainability, and public participation are all necessary conditions for this order, and the change must apply at both national and international levels. Policies that promote equity alone would not necessarily result in a more environmentally sound world. On the other hand, measures to solve the ecological crisis without being accompanied by a more equitable distribution of resources could lead to even greater inequity and injustice.

## FURTHER THOUGHTS

### **Globalization and International Economic Institutions**

*Yoshiko Kojima*

GLOBALIZATION HAS LOTS of meanings depending on people's perspectives. Definitions cover a wide range of today's international phenomena from trade and capital mobility to organized crime and pop culture. Rapid economic flow is one of the most important characteristics of today's globalization.

In the era of today's economic globalization, international institutions have gotten lots of attention. Partly due to the end of the Cold War, the number of international institutions has increased since the late 1980s. Some were newly created, like the North-American Free Trade Agreement (NAFTA) and Asia-Pacific Economic Cooperation (APEC), while some were developed further, such as the WTO. When we observe such increases of international institutions both at global and regional levels, we are wondering how economic globalization has been related to such increases.

Economic globalization has been related to international institutions in two different ways. First, international economic institutions have facilitated economic globalization. After World War II, the Bretton Woods institutions such as the General Agreement on Tariffs and Trade (GATT) and IMF were founded to achieve a "free, open, and multilateral" international economic system. The GATT succeeded in lowering tariffs and facilitated reducing nontariff barriers. After the mid-1980s, the Organization for Economic Cooperation and Develop-

ment (OECD) and the IMF policies liberalized capital mobility. Also, the regional institutions such as the EU, NAFTA, and APEC have aimed for trade and capital liberalization within each region. These kinds of international economic institutions played a role in facilitating economic globalization by liberalizing each country's economic policy under the name of international rule, although that rule was the product of negotiation among countries. In other words, many countries, mainly industrial ones, made use of international institutions to facilitate a "free, open, and multilateral" international economic system.

The second aspect of the relation between economic globalization and international institutions is that in the face of economic globalization, many governments have begun to recognize that individual governments cannot control the negative consequences of economic globalization, such as a contagious financial crises, environmental pollution, and poverty reduction. In this context, international institutions have been expected to play a role in solving so-called externalities of economic globalization. Proposals for "global governance" in the 1990s emphasized the role of international institutions in global governance. After the Asian financial crisis, the Asian Monetary Fund was under consideration as a new financial lending institution, although it failed. The Basel Accord of banking regulation in the Bank for International Settlement is another example. Even the economic institutions that have promoted economic globalization are asked to play some positive role in solving negative consequences of economic globalization.

Because of these two aspects, international economic institutions are now blamed for their role in facilitating globalization, on the one hand, and yet are expected to play a role in controlling globalization, on the other.

There are now many criticisms toward international economic institutions. Let's look at two such criticisms and see how international economic institutions are responding to them. The first is that international economic institutions failed to deal effectively with the distributional effect of economic globalization among countries. The second is that decision-making processes of international economic institutions are not fair for developing countries.

Developing countries claim that international economic institutions did not effectively deal with inequalities in international society. Responding to such criticism, international institutions have shown some progress, although they are still limited. For example, the World Bank responded to the earlier criticisms of its policy in developing countries by adopting an antipoverty strategy in the early 1990s. It came to emphasize the importance of taking into account each country's domestic social and political situation, as well as its economic one. In particular, the World Bank has been concerned about how to protect vulnerable groups and the poor and what kinds of safety nets can provide an environment in which economic reform is more politically sustainable. To respond to these

questions, the World Bank has been seeking an alliance with NGOs in order to reach the poorest more effectively.

The IMF, in the early 1990s, acknowledged the shortcomings of its structural adjustment programs. It emphasized the social and political aspects of adjustment. However, the Asian financial crisis has shown that its policy has been based on the principle that “social development requires a strategy of high quality economic growth,” and it is still stuck to a structural adjustment policy.

The WTO situation is rather complex. There, the relation between free trade and social protection has come to the agenda. Greater free trade has produced the recognition that trade liberalization would undermine social protection measures and labor and social regulations and standards. On this issue, developing and middle-income countries were almost universally opposed to the insertion of social clauses in the rules of the WTO, while the United States and France supported it. The former claims that such insertion is an attempt to defend the high-cost economies of the West from international competition and represented protectionism, while the latter claims that the abolition of child labor and free association of labor are fundamental rights.

Regarding the second criticism, there is not much progress responding to the unfair decision-making procedure in international institutions. The problem of the “democratic deficit” has become serious for many international institutions. This deficit means that those who are influenced by their decisions cannot participate in decision making and governance. The IMF and World Bank show no intention of changing their weighted voting systems. However, they try to appeal that their policy programs for individual countries have become more attentive toward the recipient country recently. As for the WTO, many NGOs want to participate in its negotiations.

Despite these steps, international economic institutions are now faced with the difficult task of legitimizing their decisions and policies. Without a sense of ownership of international institutions by every participant, it is getting more difficult for these institutions to play a positive and legitimate role in international society.

## **Food Politics**

### A Multilayered Causal Analysis

*Sohail Inayatullah*

MULTILAYERED CAUSAL ANALYSIS seeks to unpack issues about the future by utilizing four modes of analysis. The first mode is the “litany,” or the typical, official, present-based description of the issues. In this mode, concerns about fairness are generally expressed at the individual level: how I was mistreated, how