

Postgraduate Diploma on Peaceful Coexistence

Reinforcing Peace, Human Rights and Development

Joint Programme



*International Trade
and
the international framework*

The conceptual basis of the modern international framework

- The world is divided into national states
- There are differing interests inside domestic communities which are aggregated and synthesized as single national interests in the international arena
- National States are sovereign to organize their communities and their interests within their territories
- National States have ownerships of their national resources

Before the Second World War

- Economic relationships between States are regulated mainly on the basis of bilateral agreements
- Alliances are not stable and can vary according to matters and historical periods
- Some multilateral agreements existed but they were limited in numbers and scope
- The League of Nations was the first attempt to achieve institutional multilateralism but it did not survive the Second World War

After the Second World War

- Institutionalized multilateralism becomes the driving principle
- It requires States to agree on (some) common principles and transfer some of their sovereign powers to international organizations inside which all states play as stakeholders
- Some rules are thus established by such international organizations and States open their legal orders to them
 - Also interests of foreign communities and in general issues of common concern become part of the domestic agenda and affect domestic policies
- In trade, neoliberalist principles prevail as for the rules of international commerce. The long term goal is the realization of a free market where private enterprises can potentially act as if they were in a domestic arena

After the Second World War (continued)

- We must be careful in understanding that, if the final goal is the achievement of a free market, this does not mean full openness by States. States still have the power to impose restrictions, but under certain conditions established primarily by international organizations such as the World Trade Organizations (WTO)
- Trade and economic/financial international organizations must be seen in connection with the general principles established by the United Nations (UN). Peace and security are based also on cooperation in trade and development

Newborn States and developing countries

- Since the beginning of the new legal order established under the UN several issues have affected the original scenario in which that legal order was shaped:
 - Decolonization. New States are born, with sovereignty over their natural resources and communities as it was not before
 - Cold War and the growing of socialist theories affected the understanding of international trade in part of the globe
 - Emergence and elaboration of theories on protection of human rights and declaration on human rights

Further changes

- Regionalism. The European Economic Community (EEC) was established in Europe, later to become the European Union (EU). Many other regional organizations have been established and exist today, changing the logic of multilateralism
- Geo-political and geo-economic scenarios. The post colonialism changed the scenario since the SWW. New economies developed and some developing countries changed their role in the world
- Even inside the logics of the WTO and the neo-liberalism theories changed
- The role of private companies. We cannot focus on States and international organizations as multinationals, vast supply chain networks, international finance entities play a growing role

Today

- Multilateralism evolved and faces several criticalities. The current crisis of the WTO
- The recurrence of financial (and economic) crises since 2007
- COVID
- Wars
- Recent resurgence of tariff barriers

Sustainability and climate change

- WTO has rules for developing countries and some exceptions to protect health, the environment and other sustainability principles, but no general rules for such matters are included
- Sustainable development goals and the change in perspective
- Climate change and the Paris agreement
- The role of private parties and civil society in these matters

We have left out the issue of development

What is development ?

We have left out the issue of development

What is development ?

**What do we speak of
when we speak of
DEVELOPMENT ?**

A few questions

What is Development ?

A few questions

What is Development ?

Development is many things but how can we measure it ?

A few questions

What is Development ?

Development is many things but how can we measure it ?

An option is GDP

As it measures economic welfare

and this is assumed to trigger development

A few questions

What is Development ?

Is it Just Economic Growth ?

A few questions

What is Development ?

Is it Just Economic Growth ?

How Economic Growth relate to Industrial Development ?

A few questions

What is Development ?

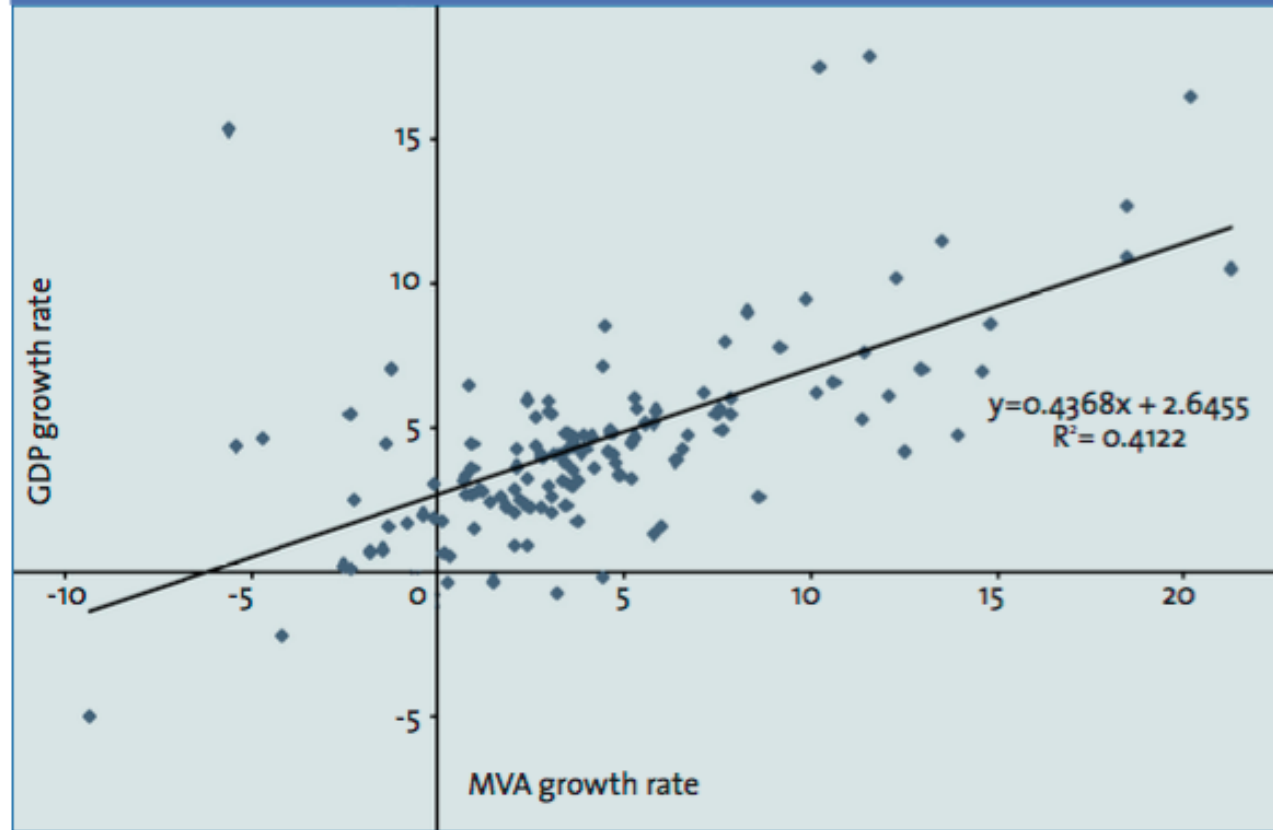
Is it Just Economic Growth ?

How Economic Growth relate to Industrial Development ?

Do we need policies ?

1. The role of industry

Figure 1.1 Association between growth in manufacturing value added (MVA) and growth in gross domestic product, 2000-2005 (Percentage)



Source: UNIDO database.

2. The debate on industrial development

Is it Relevant ?

3. The debate on industrial development

It is Relevant

Does it have only positive impacts ?

3. The debate on industrial development

It is Relevant

It has Positive and Negative impacts

Do we rely on Policies or Free Market ?

3. What are the objectives ?

Distribute Development and create jobs

Attract technology and upgrade production

Promote entrepreneurship and link up to market

**How did
the International Community
get into development ?**

The Conference of San Francisco

25 April – 26 June 1945



WE THE PEOPLES OF THE UNITED NATIONS

DETERMINED

- to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and
- to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and
- to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and
- to promote social progress and better standards of life in larger freedom,

Why do we do it ?

Moral Obligation ?

Business ?

Politics ?

The Structure

The General Assembly



The Security Council



The UN Secretariat



International Court of Justice



Economic and Social Council

The BRETTON WOODS system

Bretton Woods, New Hampshire

1 -22 July 1944

SYSTEM OF MONETARY MANAGEMENT
FINANCIAL AND COMMERCIAL RELATIONS

INTERNATIONAL MONETARY FUND
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
A TRADE ORGANIZATION LATER BECAME THE WORLD TRADE ORGANIZATION

Under the umbrella of the UN flag.....



THE
SPECIALISED
AGENCIES



Normative functions

or

Operational role

?

The geopolitical landscape keeps changing.....

Recovering from World War II

Emergence of a bipolar world

Decolonization

The oil crisis and the Washington Consensus

The end of the cold war and the Globalization

Global terrorism

Sustainability and pandemics ?

SOME OPEN ISSUES

Policy Coherence across the UN system

High Caliber leadership of UN Organisations

Relationship with Bretton Woods Institutions