

Global Architecture: Vision 2020

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*Leave to Robert Browning Beggars, fleas and vines;
Leave to Ruskin, Popish Apennines,
Dirty stones of Venice and his Gas-Lamps seven;
We've the stones of Snowdon and the Lamps of heaven!"*

Charles Kinsley (1819-1875)

While doing my paper on Global Energy Crisis at Oxford in September 1974, my moderator Prof Peter Oppenheimer of Christ Church asked me to read Charles Kinsley. I was amused, though Charles Kinsley has been one of my favorite poets of the time. In reality, however, stones of Snowdon and the Lamps of heaven don't add to a nation's material wealth although its spiritual significance can in no way be underestimated. The year 1776 that produced Gibbon's historic work on the Roman Empire also yielded Adam Smith's Wealth of Nations. Adam Smith's work without question towered over his contemporaries like Target and Physiocrats, who most indubitably represented individual economic freedom---- and to use Smith's own word "the system of natural liberty".

The Wealth of Nations, however, was not Smith's first book. About seventeen years before the Wealth of Nations, Smith wrote the Theory of Moral Sentiments. At that time Smith was still under the influence of his Glasgow teacher Francis Hutcheson, a devout follower of Shaftsbury and put emphasis on "Passions" towards altruism and cooperation that make for society's growth and development. A great deal of the Theory of Moral Sentiments is perhaps best understood in the context of Hutcheson's teaching. But a discerning reader however, will not fail to discover throughout the book the emphasis on "individual self-interest" that would become overriding in the Wealth of Nations. At the same time Smith must have read Mandeville's the 'Fable of the Bees', first published in 1749, later in enlarged editions in 1723 and 1728 (Subtitle-Private vices and Public benefits). Thus Mandeville's thesis that "it is through complex interplay of individual's egoisms and self-interests that both the stability and the prosperity of society emerge." But it is in the Wealth of Nations that Mandevillian theme of "self-interest as the only reliable mainspring of human behaviour and society at large" is to be found in the most celebrated passage of the Wealth of Nations.

"It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages"

It is "Private vices, Public benefits". In the canvas of the idea of progress----it had a dramatic impact and rightly so. It is coincidental but important that in the same year--1776, the American Declaration of Independence was made and Jefferson's mind (the drafter) was full of faith in

human progress----- in the idea of progress. But we must not also overlook what Turgot said in his Researches into the causes of the Progress and Decline of the Science and Arts: "Carthage did what Thebes had done and what America will do some day". Rather pessimistic----- but Target also said that "America is the hope of the human race."

Vision 2020: Organization Chart

If we contrast the above with what Alfred Marshall and Prof Lionel Robbins said respectively, "Economics is the study of man in his ordinary business of life" and "Economics is a study of human behaviour as a relationship between unlimited end and scarce resources, which have alternative uses," we find a roadmap towards our goal. Thus when we think about the state of the world in 2020, we find meaning in the thoughts of all three gentlemen who influenced world's development paradigm in more than one way----- in development economics as well as in politics. The relevance of these thoughts will be felt for many more years and many more decades to come.

While I am still trying to prepare the base of my paper, it would not be fair if I do not recall the 16th century French philosopher-economist Jean Bodin who basically laid down perhaps more graphically than anybody else in history of human civilization that the idea of progress is the most important element in human history and this progress is slow and evolutionary but it is inevitable. He suggested that without the Monasteries and Guilds of the Middle Ages, the learning of the ancient world would have been totally lost at the hands of barbarians, the Ostogoths and the Visigoths or later day Halagu Khans! Sitting at the beginning of a new millennium, it is quite right to think that our comfort of today is the hard work of yesterday and comfort of the future is the hard work of today. The two World Wars happened because of suspicion, greed and lust for power. When the Germans and the British lost over 1/2 million people in 72 hours in the killing fields of LaSomme and Verdun, the generals sat down and pondered. The League Nations was becoming a reality. Austro-Hungarian Empire was gone but the crisis of confidence continued to haunt the world configuration created by the First World War. Diplomat-scholar Salvador Madariaga was heard crying on the placid and tranquil Lelac Geneve when the League of Nations broke apart. But the Second World War assumed new ferocity because mankind by now enhanced its ability to wage a more bloody war than ever before. From U-boats to Zeppelin and Zeppelin to Submarines and finally the bombing of Hiroshima and Nagasaki- all changed the human psyche to our civilization. Hitler's gas chambers and murder of 6 million Jews only added to the moral outrage of humankind. The United Nations Charter was almost a certainty: as somebody said, even if there was no Wilson or Roosevelt, the Charter would have been reinvented in one form or the other. Together with the IMF, World Bank, WTO, UNDP, UNEP, ILO, FAO, UNGA created a collective sense of responsibility. With that the mutual balance of terror Mutually Assured Destruction (MAD) ironically helped maintain and preserve the peace in the world!

From 1945 till the beginning of the new millennium, apart from the phenomenal increase in the standard of living and decolonization of the countries in Asia, Africa, and Latin America, the most significant event was the breakup of Soviet Union. When I was listening to Mr. Yakovlev in the small conference room of the Italian parliament elaborating the thoughts of Gorbachev, sometimes towards the end of 80's (Perestroika and Glashnosht), who had imagined that a mighty empire of Soviet Union will just evaporate like a house of cards? **When I look back, the bombardment of the Moscow White House by the forces of democracy and freedom perhaps symbolize the greatest manifestation of mankind's desire to be free and freed. In its**

short span of the past 50 years, I am quite ready to agree that the institutions like IMF, World Bank, GATT (WTO) have functioned well within the parameters of the intended purpose. Of course there have been ups and downs, stories of successes and failures: when IMF suggested to President Anwar Sadat to increase the price of bread there were bloody riots on the streets of Cairo, thus actually weakening him to a point from where he never recovered. His assassination was almost inevitable. World Bank has its own story to tell. The World Bank and IMF should own up a portion of responsibility of South Asian economic crisis of the late 90's. While Mahathir Mohammad of Malaysia has been targeted as a fall guy, there is a great deal of merit in what he said. The miseries of Indonesia also owes a lot to MDBs when corrupt military-bureaucratic combine not only was supported but was encouraged to remain in power till popular outburst overthrew Soeharto much like Ferdinand Marcos of the Philippines or President Ershad and President Zia-ur Rahman of Bangladesh. In Bangladesh, MDBs and donor countries kept on pumping millions of dollars to those military rulers while they were destroying the nascent democratic institutions of the country. This is an element that has to be borne in mind so that MDBs don't support any regimes that come to power through usurpation or by extra constitutional means. Because in the long run it is bad for the country and its democratic values. One point of interest must be noted. One of the largest bridges in Asia was built connecting the Eastern and Northwestern parts of Bangladesh which the World Bank initially opposed. They described it as 'pipe dream'! Today it is the lifeline of two parts of Bangladesh. The GDP growth of 6.2% has been possible largely because of the connectivity that the bridge created. Similarly the World Bank opposed any subsidy or grant in the agricultural sector. The government of Bangladesh did not pay heed to their advice. The result? For the first time in the history of Bangladesh, there is now a surplus of over one million tons of food grain. In the past 21 years this country was deficit in food grain to the tune of 2 million tons on average. Somebody said that democracy crawls on its stomach: a hungry man is an angry man. Bangladesh is an example of that if one is needed. For the first time in its history, the Government of Bangladesh has completed full 5 years of its constitutional mandate. This is no mean achievement.

Identification of the problem areas in the concept paper has been quite focused. Conflicts will be there as long as mankind inhabits the globe. When we talk about post armed conflict recovery, one cannot but put a question mark on the intention of the suppliers of the arms. Before we can think about the post-armed conflict, we have to think in terms of who controls the supply of arms around the globe. UN, I believe has set up a Body called **Depository of Arms Suppliers** to control of supply of arms and military hardware. This Body has to be strengthened.

Defensive weapons may not be questioned but suppliers of offensive weapons must be accountable. Besides, the Rwanda massacre and prior to that, genocide in Bangladesh in 1971 couldn't have taken place if the United Nations or the international community had taken sufficient preventive measures.

Small Arms: According to a UN meeting there are 500 million small arms being traded illegally today. I am confident that in this decade, we shall be able to sign a Treaty banning such illegal Trade in small arms so that a tragedy like Sierra Leone or Congo or Kashmir can be averted

Financial and Economic Crisis: The safeguards given to Mexico and later Argentina and to a lesser extent to Thailand, South Korea and Indonesia by the MDBs need to be appreciated. But there has to be greater communication between the donor and developing countries. **The development paradigm of every country should be based on local ownership, which will allow local expertise to conduct their own business. Till today a lion's share of the Aids are taken away by foreign experts, which are more often than not a precondition for**

development assistance!

Climate Change and Declining Environmental Condition: The Kyoto Protocol should be taken as global lighthouse. Pointing fingers will not help. We all must own up individual responsibility. The donor countries have responsibility in making sure that environmental consideration takes priority in their countries first, before developing countries. **But at the same time one must note the recent empirical studies that suggest that Global Warming is a cyclical phenomenon; it happens because of world tectonic movement. Every ice age is followed by warmer time and vice-versa. The position of US, Canada, Australia may therefore be given consideration. What is needed is cooperation and collaboration between and amongst the countries. In the event of further global warming, Bangladesh will be one of the first victims. But there should be no panic; a well-thought out plan has to be devised so that countries like Bangladesh and Maldives can tackle the situation properly.**

International Crime: This is one area where we should create an international body to control crime by keeping tab on Narco-traffic movement and black money from continent to continent: The US Congressional Task Force Report is our best guideline, which shows how Taliban Afghanistan and its neighbour have become the gateway to world's greatest Narco-traffic movement. It is suggested in the same report that the narco-trade money is being used generously in many neighbouring countries including Shinziang province of China.

International Criminal Court (ICC): The ICC Treaty would be ratified in the next few years. The idea of ICC was mooted on December 29, 1974 at Bangladesh Institute of Law and International Affairs (BILIA), Bangladesh.

Poverty, Conflict and Migration: Following the First World War about 20 million people migrated to the United States of America from Europe and another 30 million followed after the Second World War. This migration was welcomed by the New World because it created a 'melting pot'! But today when labour from developing countries want to go to developed world there are all kinds of barriers standing in the way.

Global Equipoise or Global Equilibrium: WTO should put more emphasis on eliminating non tariff barriers and facilitating labour movement between the developed and developing countries. WTO will become non-functional if this problem is not addressed urgently. After Seattle, Davos and Gotenburg, WTO will become dysfunctional if the real problems are not addressed. Recently Germany has asked for 50 thousand labourers every year only to keep the machines moving. **Canada and the USA have been the harbingers in this area. Italy and the UK are the second best and others should take notice that in a globalised world you cannot isolate yourself. Perhaps the creation of a body to control the job market and labour movement from the developing countries should help. It is no longer in the realm of a vision, it has become an imperative. 2020 is too far.**

Population: While it is a problem in some countries it can be turned into an asset. Developed world is having a zero population growth and a number of developing countries including Bangladesh drastically reduced their population growth rate. **In the last 20 years, population growth rate reduced from 4% to 1.6% in Bangladesh. While UNEP has done an admirable job, it has not done enough.** Due to our resource constraint we are facing problems in reaching our target. Education will play a paramount role in leadership and governance as Bangladesh has shown in the past 5years.

Energy: If California is an example to go by, energy should indeed be our biggest problem particularly for the developing world sooner than later. It is already a problem. In an international conference held in New Delhi in India in mid-April this year which I attended, it was suggested that in the next 15 years, Asia will become the largest consumer of energy, headed by India, China and Japan. The population of 2 billion will become 3 1/2 by 2020 between India and China. **Therefore attention must be shifted from non-renewable to renewable sources of energy. As a matter of fact, together with International Arbitration Court, which I fully support, there should be an International Energy Forum, perhaps under the auspices of the United Nations to play a role that will be in commensurate with the need of the hour.**

AIDS: It is a problem of sub-Saharan area today but Asia particularly Thailand, India and China will face a tremendous increase in number of AIDS victims if precautionary measures are not taken immediately. I think of the recent example in South Africa where generic drugs for HIV control are being made available. Of course by 2020 there will certainly be more invention against HIV as well as against cancer to be available at a much cheaper rate. **It is a matter of time that human genes will become available to us to either improve the quality of life or its longevity. This also should be controlled under an International Convention.**

The founding fathers of the United Nations had one predominant thought in their mind i.e., how to 'save succeeding generations from the scourge of war'. To the extent that a global war has been averted, since 1945, the Charter has been a successful instrument in maintaining and pressing peace. The Charter notwithstanding, wars have been fought and conflicts are taking place all over the world. It is estimated that over hundred wars have been fought with the loss of millions of lives since the adoption of the UN Charter. Questions have, therefore, been asked as to the efficacy of the UN in avoiding wars and conflicts. For a moment it was perceived that the balance of power concept had been thrown to the dustbin of history, but then article 51 of the Charter did work, albeit in a more modified form, to some kind of balance of power concept for ensuring the security of the small states.

It is for this reason that the small states seek so earnestly membership of the United Nations and take the deliberations at the various organs of the UN so seriously. UN membership gives the small states a degree of confidence and dignity unequalled in any period of their history.

Furthermore, there are built-in restrictions on the capacity UN to act as an organ of collective security. The pragmatic framers of the UN Charter were all able to understand that the UN would not work without the veto right for the great powers. Moreover, it is doubtful that the collusion of the great powers would have been more favorable to the small states' security. The way in which three great European powers-Russia, Austria and Prussia- colluded in 1772, 1792 and 1795 to divide Poland among themselves shows that the concerted action of several powers might actually be harmful to the independence and territorial integrity of smaller states. From 1939 to 1940, Stalin achieved his territorial objectives in the Baltic region and Eastern Europe in alliance with Hitler. The collusion of the Allied powers during the closing days of the Second World War provided another disheartening example. While the Atlantic Charter was being issued, the allied powers were dividing Europe and Korea into their respective spheres of influence without any reference to the peoples concerned. In any case, given the conflicting ideologies and interests of the great powers, any concerted action by them would not have lasted long, without the provision of the veto power.

It is not always emphasized that the framers of the UN Charter did provide a *prescription* for dealing with grave international crises involving the great powers. This is to be found in Article

51 of the UN Charter which recognizes 'the inherent right of individual and collective self defense'. After having failed to provide for the ideal of collective security on pragmatic and practical ground, the framers of the Charter advised the states, through Article 51 to establish alliances for collective defense to deal with the aggression or threat of aggression by the great powers (or their protégés) who are able to take cover under the veto rule to avoid the UN sanctions. In other words, as second best, the Charter recommends the system of the balance of power to ensure the security of states. We thus find the preambles of such international alliances as the North Atlantic Treaty Organization, now dissolved Warsaw Pact, the Charter of the Organization of American states, and the Charter of the Organization of the African Unity are all based on 'the purposes and principles of the United Nations'.

The Smaller States at least some of them like Libya have tried to redress the lacunae, as it were, in the Charter by amending it particularly its provisions relating to the veto power of the 5 permanent members of the United Nations. This move, however, is likely to be unsuccessful since the whole concept and philosophy underlining the framing of the Charter of the United Nations pre-supposes weighted power for the 5 permanent members. There is already a resolution purported to strengthen the Collective Security Provisions of the UN Charter all these efforts tend to put renewed trust of the smaller states in the world body: it is a demonstration of their confidence in the UN since the UN has lent a new dimension to the respect and dignity of the small states hitherto unknown in the history of mankind.

Besides, the present demand to further democratize that UN system should be heeded carefully. The G-20 countries would do well to acknowledge that today's world is different from the 50 ' or 30 s ; countries like the largest functioning democracy India, Egypt, Brazil, Germany and Italy must be given permanent membership to the United Nations. Without them the UN looks askewed. This is doable in the next 5 to 10 years.

The adoption of the resolution in the 41" Session of the UNGA declaring that decision on financial matters will be taken by consensus is indeed a milestone. The small states, while not wishing to sacrifice the principle of one country one vote, the philosophy of democratization underlying the Charter, did not at the same time want to be seen as irresponsible in not adequately responding to the worst ever financial crisis faced by the UN system. The adoption of this resolution has, therefore, been termed and rightly so as historic by the President of the 415` session of the UNGA. It is not only a victory of the common-sense, but also a victory of the UN in bestowing upon itself greater resilience in meeting the felt needs of the international community in general and the small states in particular.

Concluding remarks:

We are therefore coming to some kind of inevitability on the question of the 2020 vision and so called Global Architecture. Nobel Laureate Amartya Sen's remarks carried by International Herald Tribune on July 14-15 seem relevant in this regard. He exhorted the international community that if we want to narrow down the North South divide we must face the reality as it is: he said

“Globalization in not new, nor is it just Westernization: Over thousands of years, globalization has progressed through travel, trade, migration, spread of cultural influences and dissemination of knowledge and understanding (including of science and technology)

Globalization is not in itself a folly: It has enriched the world scientifically and culturally and benefited many people economically as well. Pervasive poverty and lives that were “nasty, brutish and short” as Thomas Hobbes put it, dominated the world not many centuries ago, with only a few pockets of rare affluence. In overcoming that penury, modern technology as well as economic interrelations have been influential. The predicament of the poor across the world cannot be reversed by withholding from them the great advantages of contemporary technology, the well-established efficiency of international trade and exchange, and the social as well as economic merits of living in open, rather than closed, societies. What is needed is a fairer distribution of the fruits of globalization.”

Thus both policy and institutional changes are needed. The MDBS like the World Bank and UN must respond to the ground reality, sooner than later. World Bank’s James Wolfensun and UN’s Kofi Annan have shown leadership and courage. But one extra mile has to be traversed: the present institutional architecture needs to be reexamined. Globalized protests should hasten rather than slow down the needed change.

When Bangladesh Prime Minister Sheikh Hasina was invited for the first time to the G-8 Summit in Genoa, Italy on July 20, 2001, it was indeed a timely decision. Italian Prime Minister Mr. Silvio Berlusconi will go down in history as a ground breaker. Together with Bangladesh Prime Minister, the Presidents of South Africa, Mali, El Salvador, Nigeria, Senegal and Algeria were also invited.

Sheikh Hasina was the only leader representing South Asia and Asia: but she has been pioneering in sensitizing the world leaders for a long time about the need of greater cooperation between the developing and the developed countries and greater need for Trade than AID.

She further said “they must assist the developing world to increase their purchasing power so that they can buy more goods and services from the developed North. Globalization is therefore the other name of interdependence between the North and the South”.

Bangladesh is asking for duty free entry of RMG to the United States which has already given the same facility to the Caribbean and African countries. Even if a country like Bangladesh wishes to enter into a unilateral commercial agreement with the USA for free trade, the US may not agree to such an accord because of her internal political dynamics. The WB and IMF have failed to sensitize public opinion in their own countries (developed North) although they are very generous in giving developing countries ‘advice’ to further liberalize their trade and commerce!

As the spokesman of the LDC countries, Bangladesh has a great responsibility. But Bangladesh as a country which has potential for substantial economic development is been left out of these facilities, because Bangladesh is not as poor as many African and Caribbean countries who are even poorer.

In the recently concluded G-8 summit only the African countries have been given special facilities regarding poverty alleviation to the exclusion of Bangladesh whereas the EU has readily agreed to give duty free access to LDC countries export with only one condition: Everything But Arms (EBA).

As a noted economist in Bangladesh Prof. Wahiduddin Mahmud stated recently while speaking on the Genoa G-8 Summit organized by BILIA on July 28, “Bangladesh has the largest

concentration of poor people following China and India. Bangladesh is also a victim of 'brain drain'. Because of the global warming caused by the so called 'fossil fuel civilization' of the west, Bangladesh's coastal areas are likely to be most affected because of the indecision of the G-8 Summiteers on the Kyoto protocol."

In this connection, the remarks of Prof. Jeffrey Sachs' of the Harvard Institute for International Development is also relevant:

"When the global financial crisis broke out last year, the Group of Seven largest rich nations was quick to seize on Asian Misdeeds as the source of the crisis. This "blame-the-victim" approach was not only erroneous but extremely harmful. the G7's rhetoric against "Asian crony capitalism" backed by the International Monetary Fund's demands for abrupt bank closures, swinging budget cuts, and sky-high interest rates in the Asian countries, convinced the G7's own capitalists to cut and run, helping to launch a worldwide panic.

The G7 has stopped blaming the victims for the global financial crisis. Jeffrey Sachs argues that now it must give them a bigger say in reform.

The aim would be to ensure that a real community of nations works to solve global problems. The G7 declaration looks forward to its next summit in Cologne in 1999. For the good of the world, that summit should be a dialogue of rich and poor together, not just a communion of the rich pretending to speak for the world."

Corruption: Some individuals and institutions are bent savaging the developing countries by dishing out half-baked 'perceptions' about developing countries.

One such organization is Transparency International based in Germany. The report published in 2001 has begged the question: how transparent is the TI itself? When Western leaders are corrupt it is no news. But TI for example goes to any length, sometimes politically motivated, to prove how corrupt the developing world is!

The President of TI Peter Eigen during his visit to Bangladesh in 1994 said that the donor countries themselves are corrupting the developing world. When he launched TI in 1994, he said together with corruption perception, he will also publish the Bribe Givers Index (BGI). But obviously there may be a hidden agenda, we are not privy to! No BGI has been published!

"John Strachey, War Minister in the British Labour government in his book, the End of Empire 1959 made some interesting revelations about Bengal: Lord Clive, in an effort to lessen the rampant corruption of the East India Company officials, legalized their right to private trade even though they were paid servants. Every officer got his share strictly according to seniority- a colonel got £ 7000 a year, a major £ 2000 (about £ 90,000 and £ 40,000 in present day value). The extortion from the Begum of Oudh by governor-general Warren Hastings brought forth impeachment on him.

Before Plassey, the British in the absence of any other goods for which there was a market in India, were exporting gold and silver to buy our cotton, piece-goods, cotton yarn, muslins, indigo, redwood, silk etc. The exchanges of these precious metals was a kind of net investment in our country. But following Plassey this transfer stopped. The

unrequited value of the drain from India between 1757-1815 according to some researchers, amounted to 1 billion (today's value of over ± 20 billion)"

With the G-8 Summit efforts in Genoa the real beginning has been made. And particularly when the IT revolution is wiring the entire world, the universe is really becoming a global village.

The fundamental point we must remember is that nation's behaviour is shaped in the same way as human behaviour, i.e. 'self-interest'. Mutual cooperation between nations should be further enhanced to ensure benefit to the developed and the developing countries. **Of primary importance should be G-20's ability to increase the purchasing power of the developing countries which will eventually benefit the developed world as well.**

2020 is actually at our doorstep. We can very well set an agenda for our leaders to the benefit of all mankind.

Both John Maynard Keynes and Barbara Ward need to be remembered again who so aptly said, "the power of vested interests is vastly exaggerated compared to the power of ideas", and "we learn from the visionaries, we do not learn from the practical men of affairs. They were not in the forefront in the 19th century and they were not in forefront in the 20th century".