

# 15 The Role of International Organizations: Solving Complex Global Issues

*Eriko Ishida Kawai*

Numerous complex global issues have emerged worldwide, such as global warming and refugee problems. International organizations have been playing important roles in solving many of these problems. In this chapter, the current and future role of international organizations will be analyzed. The fact that cooperation and coordination among international organizations, research institutes, companies and non-governmental organizations (NGOs) are becoming increasingly important will be discussed. The expected changes to the roles played by international organizations are also mentioned, as is the potential of supranational organizations.

## **Role of international organizations in global society**

The number and types of worldwide, large-scale problems, such as climate change and financial crisis, are on the rise. They widely affect many nations and cannot be solved through the efforts of one country alone. Therefore, the importance of international organizations is increasing more than ever before. One of the roles of international organizations is to provide a place or forum where governments and NGO's can gather to discuss global issues. Various significant world conferences have been organized by international organizations in recent years, such as the Earth Summit, the Millennium Summit, the World Summit and the COP (Conference of Parties to the United Nations Framework Convention on Climate Change).

The UN held the Earth Summit in Rio de Janeiro in 1992. The focus of the summit was sustainable development with the aim of conserving the environment. A total of 175 governments participated, with 116 of these sending their heads of state. Some 2,400 representatives of

NGOs attended and 17,000 people participated in an NGO 'Global Forum' held in parallel with the Earth Summit.

The United Nations Millennium Summit was held in New York City in 2000. The focus of the summit was on various global issues such as poverty, AIDS and the equitable distribution of benefits arising from globalization. One hundred and eighty-nine member states of the UN agreed to help citizens in the world's poorest countries to achieve a better life by 2015. The Millennium Development Goals (MDGs) were set and the framework and progress outline was established.

Ten years after the Earth Summit in Rio de Janeiro, the UN held the World Summit on Sustainable Development in Johannesburg in 2002, and many business leaders and NGOs participated.

Among the important roles of international organizations are the gathering of accurate statistical data and its evaluation, as well as the assessment of scientific data and its dissemination. For example, in 2007, the Intergovernmental Panel on Climate Change (IPCC), a UN organization specializing in the evaluation of research on climate change, played an important role in discussions on climate change, and was awarded the Nobel Peace Prize jointly with former US Vice President, Al Gore.

The IPCC was created by the United Nations Environmental Program (UNEP) and the World Meteorological Organization (WMO) in 1988. It consists of a network of scientists volunteering their services to scientifically evaluate and assess data while maintaining a politically neutral stance. Initially, opinions about the causes of climate change were divided, even among scientists. Many believed that the causes and possible outcomes had not been scientifically proven. This being the case, the IPCC collected, examined and analyzed data using the latest climate models, and evaluated scientific papers. They came to the conclusion that, with high probability, global warming was in progress. Climate change has become a scientifically proven fact, and the IPCC is raising awareness among member states.

Another important role of international organizations is coordinating nations, establishing international regulations and creating a world order. International organizations have established many international rules that impact on the survival of humanity in areas such as the environment, food production and sustainable development. They fill a void with respect to regulating the

international public good, where government regulations have fallen short, and have integrated these regulations with international rules.

The issues often discussed at conferences concern how international organizations might impose country specific regulations. Let's take the financial industry as an example, where globalization is particularly advanced. In order to avoid a chain of global financial crises, the Financial Stability Board and the Basel Committee on Banking Supervision at the Bank for International Settlements are at the center of creating and imposing international financial regulations. The so-called Basel Accords, regulations concerning banks' capital ratio that aim to prevent the bankruptcy of major banks involved in international business, are one such example. They are a 'gentlemen's agreement' established by the banking supervisory authorities of the major countries. Rather than imposing legal penalties on banks that do not comply with these regulations, it works through peer pressure. When certain banks do not comply with the regulations, they may face reputational risk. Trust is lost and this makes banking operations difficult.

Since international rule-making is directly linked to a specific country's interests, agreement is often extremely difficult. For example, constraints on greenhouse gas emissions may depress economic activity. Even when regulations are adopted, a system for ensuring compliance does not exist. It is a major challenge for international organizations to reach agreement, and then to ensure compliance.

The work of international organizations involves coordinating nations with different views and interests. As mentioned above, while their work transcends the domain of a single nation, they do not have the authority to supersede national sovereignty. Usually, resolutions and treaties are instituted by international organizations such as the UN. Adoption of these treaties is, however, left to national discretion.

The European Union (EU) is an exception and is the world's first supranational international union transcending national boundaries. The EU was established through a mutual agreement among sovereign nations; however, it has the power to constrain member states through regulations.

EU laws and regulations apply to the citizens of all member states. As a result, policies in the region are standardized under European Commission law. Regulation constraints fall under two categories:

*directives* and *decisions*. The distinction lies within the scope of their legal binding force. Once a general agreement is made, even if a country opposes a regulation, it must still comply. With an issue such as climate change, in coming together as a single negotiating entity, the EU has succeeded in showing a strong presence.

## **What are international organizations?**

International organizations can be defined as multi-national organizations that are established, based on a treaty, to help to achieve common objectives among nations. International organizations are also sometimes referred to as inter-governmental organizations. In order to carry out their missions and mandates, they include internal entities. Taking the UN as an example, there is the General Assembly at which all member states participate, the Council composed of representatives of some member states and the Secretariat, involved in the preparation of conferences and the execution of decisions made by the Council and the General Assembly.

Up to 238 international organizations of various sizes exist, according to the International Organization Yearbook (2003–4). The UN is one of the most important ones. Established as a result of two world wars, its mission is centered on peacebuilding and security. Other international organizations play major roles with respect to development issues, the fight against hunger and poverty and more recently, environmental problems.

The principal organs within the UN are the General Assembly, the Security Council, the Economic and Social Council, the International Court of Justice and the Secretariat. There are also related programs and funds of the General Assembly, managed by entities such as the United Nations Development Program (UNDP), United Nations Environmental Program (UNEP) and the United Nations Children's Fund (UNICEF).

There are fifteen specialized agencies within the UN, including the United Nations Food and Agriculture Organization (FAO), the World Health Organization (WHO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). The International Civil Aviation Organization (ICAO) and the International Telecommunications Union (ITU) are responsible for managing technical issues involving standards and criteria. Each agency is linked to the UN through a special agreement, but they

are independent organizations that report directly to the General Assembly and the Economic and Social Council.

The World Bank Group and the International Monetary Fund (IMF), which were established by the Bretton Woods treaty, are also specialized agencies. They deal with international finance particularly with respect to financing in developing countries, and although they are part of the UN system, their link to the UN is weak (see the United Nations Organization Chart on page 264–265).

There are also prominent international organizations that are not part of the UN family. These are organizations such as the World Trade Organization (WTO) and the Organization for Economic Cooperation and Development (OECD), the latter of which has thirty-four members from developed countries. The mission of the OECD has been to contribute towards economic growth, trade liberalization and development assistance. Recently, new areas such as the environment, sustainable development and governance have been added. There are about thirty committees active in collecting data and analyzing the policy issues of member countries.

The WTO was created in 1995, after the Uruguay Round Negotiations, which resulted in many significant developments with respect to trade rules, such as lower tariffs. The WTO is now aiming to implement the new Doha Round Negotiations, however there were difficulties in reaching any agreement. As achieving any worldwide agreement can be very difficult with so many different interest groups involved, regional trade agreements such as the Trans-Pacific Partnership (TPP) are expected to play a larger role.

Furthermore, there are many new international organizations active in limited regions, such as the Asian Development Bank.

## **Challenges faced by international organizations**

International organizations face a wide array of problems that often involve a lack of expertise and knowledge, human resources and funds. As a result of the worsening of the financial situation of member countries, lack of funds has become a major problem. The UN's regular budget for administrative expenses and staff payroll amounts to \$5.5 billion (biennium budget 2016–17). In addition to the regular budget, there are voluntary and assessed contributions, used for development aid and peacekeeping operations. These contributions total about \$40 billion for the entire UN.

In order to secure funds, significant time and effort is spent in negotiating financial contributions from member states.

Because international organizations depend on the contributions and dues of member states, there is a need to carry out activities in line with their intentions. For example, in 1984, the US left UNESCO. At the time the US accused UNESCO's activities of being 'politicized', and thus decided to discontinue their membership. The UK also followed suit. In 1999, the Japanese diplomat Koichiro Matuura became UNESCO's Secretary-General and committed to repairing the relationship between his organization and the US, as well as introducing better governance. Thanks to his efforts, in October 2003, the US resumed its membership. However, since Palestine became a formal member of UNESCO, the US has frozen its contributions. UNESCO is currently facing a budget crisis and cost cutting as a result of US non-payment. The US was formerly responsible for 22% of its budget.

The second problem faced by international organizations in the past was having adequate human resources. The most problematic and common occurrence with respect to human resources was favoritism. In the past, some people were being employed without going through the standard recruitment process. Some received political appointments because of their nationality or gender. Appointments for reasons other than qualifications and individual capability have become a source of great frustration and inefficiency. In contrast, at organizations such as the World Bank and the OECD, these problems occur less often. Individuals are selected based on their qualifications and skills, regardless of gender or nationality.

The third problem has to do with organizational issues. Sometimes 'turf wars' occur because of an overlap of the mandates of two or more institutions. Cooperation and collaboration are often dysfunctional. For example, the WHO, UNICEF and the United Nations Population Fund (UNPF) are all part of the UN family and are all involved in medical care and public health. However, cooperation between these institutions does not go smoothly. The same thing can be said about coordination among special agencies. For example, in order to solve problems related to poverty, it is necessary to work across multiple areas. This means working on trade, the environment, education, and at times, simultaneously, on civil war prevention. Good coordination is necessary to improve and enhance cooperation.

Incorporating business skills such as management and IT may increase efficiency. Member states also often point out that because these organizations have become so large, they have become more rigid and often inflexible, resulting in bureaucratization. This also affects ethics and motivation. To combat inefficiency and the lack of available skills, the use of HR consultants and others from outside the organization has increased.

Finally, it is important to be critical and to pay attention to accountability and governance. For example, there has been significant criticism concerning the bureaucracy of the enormous EU Secretariat. EU bureaucrats make numerous rules without considering national differences and exert enormous power, sometimes greater than that of an entire small nation.

### **International organization-civil society partnerships**

At the Millennium Summit in 2000, former UN Secretary General Kofi Annan pleaded for the need for partnerships with a variety of actors such as NGOs and private corporations: ‘The international public domain – including the United Nations – must be opened further to the participation of the many actors whose contributions are essential to managing the path of globalization’ (from a plenary titled ‘We the Peoples: The Role of the United Nations in the 21<sup>st</sup> Century’).

In recent years, the relationship between many NGOs and the UN has become very close, resulting in numerous collaborations. When working on common challenges, it has become clear that without the participation of NGOs representing civil society, it is difficult to attain meaningful results. Some NGOs have been able to register at conferences held by UNESCO. They are invited to attend the advisory council and allowed to speak at certain conferences. NGOs involved in public relations partner with the UN Department of Public Information (DPI). The UN also invites NGO representatives to its regular briefings.

Under such partnerships, NGOs are now participating in a number of international conferences. For example, at COP11 in 2005, the total number of participants was approximately 9,500 people. Of that total, some 2,800 were official government representatives, and 5,400 were NGO members with observer status. Although NGOs have no voting or negotiation rights, they do have a voice. They

aim to influence intergovernmental negotiations through informal channels via side meetings.

NGOs are gaining more and more importance through their growing financial power and expertise. In 1995, government aid carried out by NGOs represented a mere 4.6%; by 2004 it had increased to 13%. NGO activity in Japan is also on the rise. Currently, according to the Minister of Foreign Affairs, there are more than 400 Japanese NGOs involved in international collaborative activities.

Another positive trend is the increase in the number of foundations created by private donors. These help finance the UN, which as noted above has been suffering from lack of funding. For example, Ted Turner, the founder of CNN (a global news broadcasting service) has donated more than one billion dollars to the United Nations Foundation<sup>1</sup>, established in order to assist in funding its activities.

There is also a growing role for international organizations in coordinating the activities of various actors. For example, with regards to the Polio Eradication Initiative, a partnership was created between the WHO, UNICEF, Rotary International, the US Center for Disease Control and the Bill & Melinda Gates Foundation, which resulted in a several hundred million dollar donation to the polio eradication program. Furthermore, public health ministries, governments, foundations, corporations and volunteers participated in this campaign. In 1988, polio was present in 125 countries, and 350,000 children were affected every year. Due to the polio eradication campaign, 2.5 billion people were successfully vaccinated. The number of countries where polio continues to exist has been reduced to two: Pakistan and Afghanistan.

## **Towards more cooperation with business**

As the relationship between the UN and civil society becomes closer, so does its cooperation with the business world. There has been a shift from the direct regulation of businesses toward establishing general business regulations by establishing guidelines and rules for the smooth functioning of business. Previously, as outlined in the OECD's Guidelines for Multinational Enterprises, emphasis was placed on regulating the business activities of multinational corporations. Many multinational companies have immense financial power and influence, greater than that of some of the developing countries. Presently, the focus has shifted to regulation in order to promote business activity.

The United Nations Global Compact<sup>2</sup> was proposed by former UN Secretary-General Kofi Annan and was launched in 2000. In a nutshell, it concerns corporate social responsibility (CSR). It encourages global businesses to adopt socially responsible and sustainable policies. Companies are part of civil society, and therefore, they should fulfill their responsibilities as global citizens through good corporate governance. There has also been rapid growth in Socially Responsible Investment (SRI), as investors, such as pension funds, realized that companies with better CSR and governance tend to outperform the market in terms of long-term growth, and also have a better image.

Within a company's range of influence, both companies and investors will support a series of essential values, ranging from human rights, labor and environmental issues, to combating corruption. These values fall in line with the Universal Declaration of Human Rights, the Declaration on Fundamental Rights of Labor, the Rio de Janeiro Declaration on Environment and Development and the Millennium Development Declaration.

Currently, more than 10,000 companies of 145 countries have signed and are participating in the United Nations Global Compact. In January 2015, the number of Japanese companies participating in the Global Compact Japan Network was 192, and it is growing.

## **Collaboration with academia**

Through a program called Academic Impact<sup>3</sup>, the UN also collaborates with higher education institutions around the world. This program also encourages these institutions to cooperate among themselves. By incorporating the UN's Millennium Development Goals, they have created a mechanism through which they have been integrated into UN operations and activities.

The OECD, for example, hires researchers as consultants to carry out joint research and uses their network for organizing conferences.

The WHO has an extensive network of medical professionals they can reach out to with specialist knowledge related to specific diseases. WHO officers with PhDs in public health do not have this specialist knowledge, and hence it is important for them to work with medical professionals outside of their organization.

Kyoto University has taken part in a variety of activities that have involved cooperation with international organizations. For example,

UNESCO and Kyoto University signed an internship agreement for graduate students in 2012. Students take part in programs such as the UNESCO International Hydrological Program. This has led to the establishment of UNITWIN (University Twinning and Networking) at the Kyoto University Disaster Prevention Research Institute. There, students take part in the Rio de la Plata river basin workshop.

In addition, the United Nations Environment Program (UNEP) and Kyoto University signed a cooperation agreement in 2013, supporting graduate students working on clean water management. Over the past ten years, both organizations have conducted environmental assessments on a global, regional and national scale. Through mutual cooperation and the deployment of graduate students and experts, they created an international report called Global Environmental Monitoring Systems (GEMS/Water). Currently, they are involved in the United Nations World Water Assessment Program (UNWWAP) and Sustainable Development Goals (SDGs) as experts in the field. Furthermore, the United Nations Food and Agriculture Organization (FAO) signed an internship agreement with the Graduate School of Advanced Integrated Studies in Human Survivability at Kyoto University in the areas of microbiology and crop yield models.

## **Innovative financing**

As a solution to the problem of the limited financial resources of international organizations, various innovative financing methods and mechanisms have been tried. The Leading Group on Innovative Financing for Development<sup>4</sup> was founded in Paris in 2006. It constitutes an attempt at securing new sources of revenue and does not rely on member country contributions, as is the case with the international solidarity tax.

UNITAID<sup>5</sup> was established in 2006. It was founded as an attempt to make various medical treatments, such as those for malaria and HIV, more readily accessible in developing countries. A solidarity tax on air travel is its main source of funding. In creating a solidarity tax, a tax on the purchase of airplane tickets, income is redistributed from the privileged to the poor. It was initially adopted by the five founding countries, France, Brazil, the UK, Norway and Chile, at a conference in Paris in 2005.

As a new way of governance of international organizations, the Board of UNITAID does not only represent its founding countries,

but also includes representatives from the WHO and civil society. As UNITAID has also received funding from other foundations, there have been demands for full accountability regarding its activities. To that end, the organization is striving to secure third-party evaluation in order to ensure transparency.

Reflecting on the global financial crisis that began in 2008, active discussions have been ongoing regarding a new system called the Financial Transactions Tax (FTT), a mechanism through which certain financial transactions could be taxed. As a result of the FTT, total transaction costs would become higher; therefore, short-term, speculative transactions may be suppressed. This taxation system was adopted at a meeting of the finance ministers of eleven European countries on January 22, 2013. However, the UK, a financial powerhouse as far as EU member states are concerned, opposed its introduction and filed suit against it in the European Court of Justice. As a result, the introduction of this new system has been delayed. Tax rates are expected to be lower if it is implemented.

To this point, such a tax has not been considered or discussed in countries other than the EU. Since financial markets are global, should this new tax only be adopted in the EU, market players such as hedge funds will trade outside the EU and the tax will be less effective. However, if this type of tax was implemented by the world's major countries, it would result in huge tax revenues. According to a 2007 estimate with a tax rate of 0.01%, tax revenues could amount to roughly \$286 billion.

In comparison to the UN regular budget of \$5.5 billion, as described earlier, the impact of this tax would be huge. If part of the tax were used for resolving global environmental and economic development issues, it would help realize many projects that currently cannot be implemented due to a lack of funding and political will. That would be great news for many international organizations. If international organizations did not have to rely on member countries' contributions, they could promote scientifically and economically proven policies without having to deal with political pressure and the political and business interests of individual countries.

## **Future challenges**

In this chapter, the role of international organizations in peacebuilding was not discussed. There are many problems, such as the situation

in the Ukraine and Syria, as well as the growing power of the so-called Islamic State, that pose a threat to the international community. The United Nations Security Council Committee's actions are dysfunctional as far as these problems are concerned. Furthermore, the US and Europe seem to be, at this point in time, politically inward-looking and focused on their own national interests.

The existing international financial order has been challenged by emerging economies. In July 2014, the New Development Bank was established by five emerging countries: Brazil, Russia, India, China and South Africa. Its headquarters are located in Shanghai, and its first president is of Indian origin. It is sometimes referred to as the BRICS Development Bank for Infrastructure and Sustainable Development. Furthermore, China founded the Asian Infrastructure Investment Bank (AIIB) in October 2014, and is its leader. These new development banks will be new forces within the international financial system in the future. They are neither western-driven nor centered on the IMF or World Bank. The world is monitoring their development closely.

The old concept of 'developing countries vs. advanced countries' as previously formulated by the UN, no longer applies to reality. Responsibility with regard to the emissions of developing countries was on the agenda of COP21 held in Paris, 2015. It is no longer possible to put the entire responsibility for emissions on developed countries. China and India have undergone rapid economic growth. They are, respectively, first and third amongst countries with the highest emissions. It is also incorrect to categorize them as 'developing countries'. Their level of economic and political development, as well as their economic influence, is very different from that of 'developing countries'. As the BRIC emerging countries are gaining significant power, they are not bearing their share of responsibility as part of the international community.

## **Summary**

The roles of international organizations are changing over time. Problems that transcend national interests, so-called 'global public goods' such as the environment, require international organizations to play the role of coordinating between nations. Establishing international regulations is also necessary, as multinational companies operate across borders. Although an agreement has been

reached with regard to emissions regulation, forcing countries to comply remains difficult. Even after the establishment of the Kyoto Protocol in 1997, an effective framework for fighting climate change does not exist.

Global issues, such as environmental and sustainable development problems, need to be addressed appropriately. What is necessary is not only a top-down governmental approach, but also a bottom-up tactic. In the past, arbitrating nations' differing interests was one of the major roles played by international organizations. Decisions were made through top-level national negotiations. In the future, international organizations are expected to take on a coordinating role – helping to increase cooperation between governments, NGOs, university research institutes and businesses. Taking development aid as an example, many NGOs are presently acting on their own, creating great inefficiency due to the overlapping of activities and lack of coordination with host countries. In response to this inefficiency, the UN has been increasing field officers in regional offices instead of those located at headquarters.

International organizations are subject to the financial constraints of member states, which limit their activities. In the future, it is conceivable that a new global tax, similar to the solidarity tax on airline tickets, may become an active source of funding. These funds could be used to tackle global challenges such as climate change and poverty.

The accountability of international organizations and the quality of their governance have been questioned. To receive continuous support from member states and civil society, they need to avoid inefficiencies and ensure that transparency is guaranteed in their operations.

With respect to international organizations' wide range of responsibilities, we must bear in mind the development of new financial institutions and emergence of new economies. China is a prime example. It is therefore important to watch carefully, as a new international economic regime may be about to be born.

# Notes

## Chapter 15

- 1 See <http://www.unfoundation.org/>.
- 2 See <https://www.unglobalcompact.org/>.
- 3 See <https://academicimpact.un.org/>.
- 4 See <http://www.leadinggroup.org/>.
- 5 See <https://www.unitaid.eu>.