Theory of International Relations

Anastasiia TSYBULIAK

Session 10 Intergovernmental Organizations









Part II



The North Atlantic Treaty Organization

The International Atomic Energy Agency

The World Bank and the International Monetary Fund North Atlantic Treaty Organization (NATO)

- established in **1949** to provide the assured concerted defence of each of its member states
- NATO (whose primary member was and is the United States) and the signatories of the Warsaw Pact (whose primary member was the Soviet Union) were the two rivals (though fundamentally the United States and the Soviet Union) in the Cold War and the bipolar world order.

North Atlantic Treaty Organization (NATO) <u>Yugoslavia</u>

- 1999 NATO undertook its largest military operation since its creation in 1949: *Operation Allied Force, the air war over Serbia.*
- Without UN authorization, NATO forces conducted a seventy-eight-day air war against the Federal Republic of Yugoslavia in an attempt to halt attacks against ethnic Albanians in the Serbian province of Kosovo

North Atlantic Treaty Organization (NATO)

- Since the "global war on terrorism" began in September 2001, NATO has sought to maintain its relevance in the new security environment
- Afghanistan

- Africa
- 🛛 Iraq

NATO membership

- 1997- the first wave of new members, including Poland, Hungary, and the Czech Republic, were admitted
- 2004 the second wave of new members: Estonia, Latvia, Lithuania, Slovakia, Slovenia, Romania, and Bulgaria.
- Albania and Croatia formally joined in 2009

 NATO: 28 members, along with 26
 Partnership for Peace member states and seven Mediterranean Dialogue states

NATO - opposition

- During most of the 1990s (as well as these days), Russia oppose NATO enlargement, alarm at seeing its old allies coming under NATO auspices.
- Russia still has military bases in Georgia, Moldova, Armenia, Tajikistan, and Kyrgyzstan.

- UN-based agency established in 1957 to disseminate knowledge about nuclear energy and promote its peaceful uses, is the designated guardian of the treaty.
- The IAEA created a system of safeguards, including inspection teams that visit nuclear facilities and report on any movement of nuclear material, in an attempt to keep nuclear material from being diverted to nonpeaceful purposes and to ensure that states that signed the NPT are complying.

- Inspectors for the IAEA visited Iraqi sites after the 1991 Gulf War and North Korean sites in the mid-1990s.
- In 2009 Iran, which as a signatory to the NPT was obligated to report any facility actively enriching fissile material, was discovered to have an unreported facility in violation of its treaty obligations.

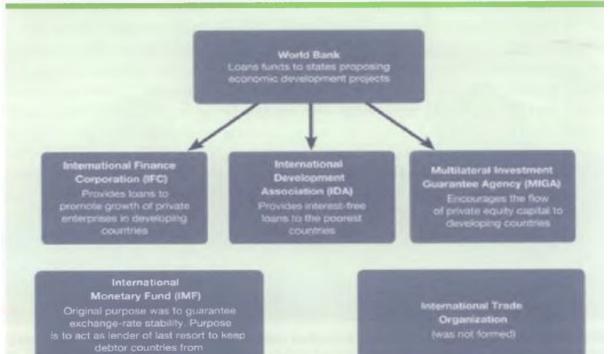
- The end of the Cold War and the dismemberment of the Soviet Union have resulted in major new arms control agreements. More arms control agreements between the United States and Russia and its successor states are likely as the latter are forced by economic imperatives to reduce their military expenditures.
- 1994 the United States and North Korea signed the Agreed Framework - The framework collapsed in 2002, when North Korea announced it was pulling out of the Nuclear Nonproliferation Treaty in response to U.S. decisions to halt shipments of fuel oil supporting North Korea's electric grid.

- In 2003 North Korea publicly admitted that it was engaged in a nuclearweapons program and has subsequently tested both long- and short-range missiles, causing great consternation in the region and in the United States.
- The agreement brokered in 2007 as a result of negotiations conducted among six parties—North Korea, China, Japan, the United States, South Korea, and Russia—directed that North Korea would close its main nuclear reactor in exchange for a package of fuel, food, and other aid

- In 2008, North Korea's leader, Kim Jong-11, threatened to resume weapons development because the promised aid package was too small and had arrived too slowly.
- Kim reappeared in 2009, after which North Korea exploded a nuclear device underground, to widespread dismay and condemnation.

Chemical Weapons Convention (CWC)

FIGURE 9.1 | The International Economic Institutions



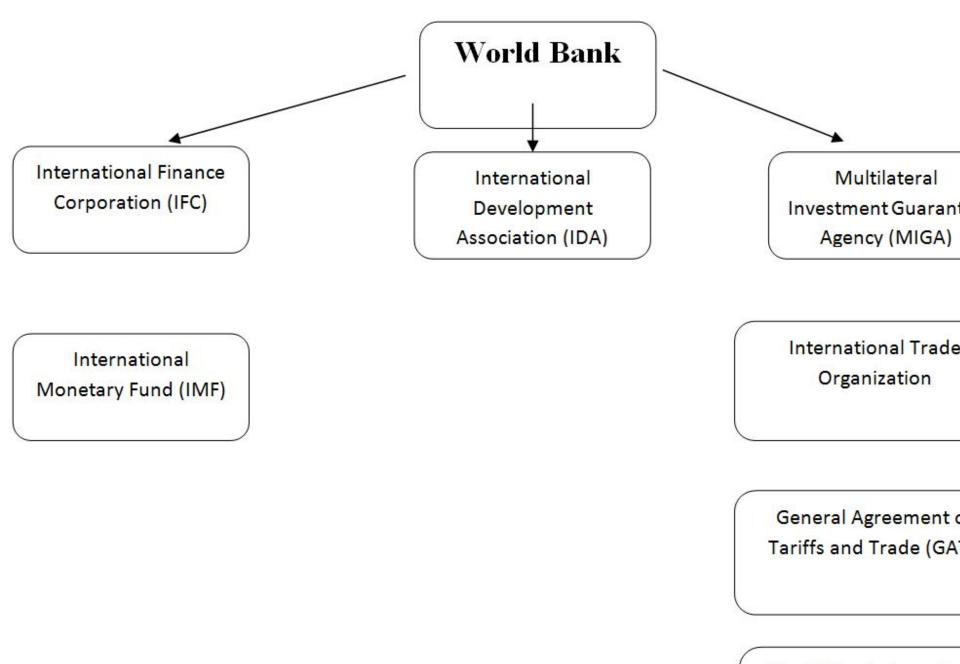
collapsing

At the Bretton Woods Conference in July 1944, world leaders agreed to create three institutions to facilitate worldwide economic coordination and development. Two of these institutions—the World Bank and the International Monetary Fund—were created shortly after the conference. Although the third institution proposed at Bretton Woods—the International Trade Organization—was never created, the principles behind it were later incorporated in the General Agreement on Tariffs and Trade, which in 1995 became the World Trade Organization. The latter is not technically part of the Bretton Woods institutions.

General Agrooment on Tariffs and Trade (GATT) Series of multilateral trade negotiation designed to structure trade by

World Trade Organization (WTO) Replaced GATT as forum for negotisting new trade agreements. Includes stronger disputesettlement procedures

The International Economic Institutions



World Trade Organiza

General Agreement on Tariffs and Trade (GATT)

- Support of trade liberalization, because trade is the engine for growth and economic development
- Nondiscrimination in trade (i.e., most-favored-nation (MFN) principle), whereby states agree to give the same treatment to all other GATT members as they give to their best (most-favored) trading partner
- Preferential access in developed markets to products from the South in order to stimulate economic development in the South
- Support for "national treatment" of foreign enterprises (that is, treating them as domestic firms)

International Finance - the World Bank

- 1950s and 1960s the bank adopted a strategy for development that emphasized the critical role of large infrastructure projects
- 1970s the bank began to fund projects in health, education, and housing, designed to improve the economic life of the poor
- 1980s, the bank shifted toward reliance on private-sector participation to meet the task of restructuring economies and reconstructing states torn apart by ethnic conflict.

International Finance - the World Bank

- 1990s- sustainable development, an approach to economic development that incorporates concern for renewable resources and the environment, became part of the bank's rhetoric, although that rhetoric did not always translate into its practices.
- The bank and its sister institution, the International Monetary Fund, are leaders in advocating these policies.

Early 1980s, the IMF began to provide longer-term loans if states adopted structural adjustment programs consistent with the Washington Consensus.

FIGURE 9.2 | IMF Structural Adjustment Programs

PROFILE	GOALS
Profile of a Country in Need of	Typical Goals of Structural Adjustment Programs
Structural Adjustment	Restructure and diversify productive base of economy
Large balance-of-payments deficit	Achieve balance-of-payments and fiscal equilibrium
Large external debt	Create a basis for noninflationary growth
Overvalued currency	Improve public-sector efficiency
Large public spending and fiscal deficit	Stimulate growth potential of the private sector

TYPICAL STRUCTURAL ADJUSTMENT POLICIES

Economic Reforms

- Limit money and credit growth
- Force devaluation of the currency
- Reform the financial sector
- Introduce revenue-generating measures
- Introduce user fees
- Introduce tax code reforms
- Eliminate subsidies, especially for food
- Introduce compensatory employment programs
- Create affordable services for the poor

Trade Liberalization Reforms

- Remove high tariffs
- Rehabilitate export infrastructure
- Increase producers' prices

Government Reforms

- Cut bloated government payroll
- Eliminate redundant and inefficient agencies.
- Privatize public enterprises
- Reform public administration and institutions

Private-Sector Policies

- Liberalize price controls
- End government monopolies

Recommended Literature

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- <u>Robert Jackson</u>, <u>Georg Sorensen</u>. *Introduction to International Relations: Theories and Approaches.* 4th edition, 2010: Oxford University Press. ISBN 978-0199548842
- Paul Wilkinson. International Relations: A Very Short Introduction (Very Short Introductions). 1st edition. 2007: Oxford Paperbacks. ISBN 978-0192801579

Information about the Professor Anastasiia Tsybuliak PhD in Political Science

Contacts:

+30673103355

an.tibuleac@glossary.com.ua

