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ABSTRACT

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The process of globalization has resulted in a historically unprecedented interconnectedness and interdependence of economies and social systems, making the world a “global village” of constant exchange of goods and information. This has brought new opportunities for people in different stages of economic development, and in different political and socio-cultural environments on all continents.

“Global governance” means the collective effort of sovereign states to coordinate these ever more complex processes of interaction – in terms of international security, trade and communication. This has included the development of joint strategies to counter global threats concerning the arms race, cyber security or environmental degradation. Governance, in this sense, is not to be confused with government: Global governance does not mean “world government” in the sense of a supranational authority. Rather, it is a *coordination* of policies among equals – on the basis of mutual respect for national sovereignty and non-interference in the internal affairs. As such, it is subordinated to the public good of mankind; it is not compatible with a unilateral assertion of national interests. Intergovernmental

organizations such as the United Nations (UN) or the World Trade Organization (WTO) provide the avenues of global governance in a framework of *peaceful co-existence* among states representing different economic and social systems as well as civilizations. In terms of peace and collective security, it is the UN Security Council that acts on behalf of the international community. In terms of economy and trade, it is the WTO that regulates free exchange of goods and services among open economies on the basis of non-discrimination.

In the framework of a *cooperative* global order, sanctions have no place – except in the service of collective security (as multilateral measures under Chapter VII of the UN Charter) or as counter-measures, approved by the WTO Dispute Settlement Body, in cases of violations of the free trade rules of that organization. Unilateral economic sanctions, imposed by states (or groups of states) against their adversaries or competitors, not only contradict the spirit of partnership and cooperation that is the basis of today's international order, but violate fundamental principles of international law. As *arbitrary* coercive measures, they are tools of power politics that belong in the era of imperialism, or absolute rule, but do not fit into a system that is based on peaceful co-operation among equals.

Unilateral economic sanctions enacted by WTO member states by way of a so-called “self-judging” security exception (Article XXI of GATT/General Agreement on Tariffs and Trade, now part of WTO regulations) are particularly problematic. Even more so, the *extraterritorial* enforcement of sanctions (against third-party states, not involved in a bilateral dispute) constitutes an egregious breach of international law, namely a most serious violation of national sovereignty. In this sense, sanctions are elements of conflict and, as such, are not compatible with the Purposes and Principles of the United Nations Charter. They risk prolonging a dispute, even triggering armed confrontation.

In the era of globalization, progress can only be achieved on the basis of multilateral action by all states, whether large or small, weak or powerful. The gradually emerging new multipolar balance of power requires global governance in the sense of a collective effort that is devoted to the common good of mankind. In defining and asserting the *national interest*, each nation must also keep in mind the *global common interest*. Unilateral economic coercion, as a tool of old-fashioned power politics, is not compatible with this noble goal.
