An Introduction to Global Issues

By Dr. Vinay Bhargava, Director, International Affairs, The World Bank

1. In a recent article in Foreign Policy magazine, Richard N. Haas, president of the Council on Foreign Relations in New York, wrote the following:

   Thirty-five years from now, sovereignty will no longer be sanctuary. Powerful new forces and insidious threats will converge against it. Nation-states will not disappear, but they will share power with a larger number of powerful non-sovereign actors than ever before, including corporations, nongovernmental organizations, terrorist groups, drug cartels, regional and global institutions, and banks and private equity funds. Sovereignty will fall victim to the powerful and accelerating flow of people, ideas, greenhouse gases, goods, dollars, drugs, viruses, e-mails, and weapons within and across borders.

2. The same powerful forces that Haas identifies as changing the concept of sovereignty are also focusing increasing attention on a whole range of global issues—issues that affect the quality of life of people across national boundaries. These forces cannot be handled by nation-states alone; they require international action.

3. It is in this context that the World Bank offers this seminar series as a forum for learning and discussion. The seminar’s learning objectives are to promote an understanding of key global issues and why they matter, of the forces that are shaping public and private action to address these issues, and of the World Bank’s own work on these issues. The discussion objectives are to promote a beneficial dialogue both among seminar participants and between them and experts from the World Bank, with a view to promoting a two-way communication of ideas for action and participation that will endure long after the seminar has ended. We the organizers hope that participation in the series will lead to increased understanding of:

   - The real and growing interconnectedness among the world’s people, their communities, their economies, and their ecologies
   - The scope and effects of poverty and inequality in countries undergoing economic development
   - The global consequences of armed conflict and the potential benefits of conflict resolution
   - The global dimensions of corruption and the vital importance of good governance
   - The importance of global citizenship, achieved by developing in each individual a sense of personal responsibility for positive action and for participation with others in addressing these global issues.

4. There is no commonly accepted definition of "global issue," but, when asked, most people are easily able to cite one or more examples. Among those most commonly mentioned are climate change, trade, global financial stability, global poverty, armed conflict, genocide, failing states, migration, contagious disease, universal access to education, debt sustainability and debt relief, biodiversity, and management of the world’s resources, including the oceans, forests, water, and energy resources.

---

2 Paper prepared for presentation as part of the Global Issues Seminar Series, October 2005
On probing further, some key characteristics of global issues become apparent, and various authors and organizations have enumerated their own lists. Facing the Future, an organization that promotes education on global issues, lists the key characteristics of global issues as follows: a global issue is one that has a significant impact on a large number of people, that is transnational in scope, that is persistent or long-acting, and that is interconnected with other issues. Jean-Francois Rischard, in his book *High Noon*, asks what makes certain issues inherently global. His answer is that these issues are “insoluble outside a framework of global collective action involving all nations of the world,” and he lists the following characteristics: global issues are issues that have to do with how we share our planet; they are social and economic issues of global concern, whose solution requires forming global coalitions; and they involve legal and regulatory issues that must be handled globally because of the potential for free riders and leakages (examples are trade and investment rules; the concepts of free ridership and leakage will be explored in later chapters). The United Nations itself maintains a list of issues that it sees as global (www.un.org/issues/), but it does not provide a definition or describe its selection criteria.

On the basis of this review, we can put together our own list of characteristics that help define an issue as global. Note that not all of these characteristics need be present; indeed, in our view, the presence of any one characteristic may suffice to make the issue a global issue in global public opinion. These characteristics are the following:

- The issue has a significant impact on a large number of people across national boundaries.
- The issue is beyond the capability of any one nation to resolve.
- The issue is interconnected with other global issues (for example, capital flows with energy use, and both with climate change).
- Resolving the issue requires a global regulatory approach (for example, the recognition and enforcement of intellectual property rights).
- The issue is a social or economic issue of global concern (such as global poverty).
- The issue is or has been the subject of a major UN declaration or conference.

6. Issues with one or more of these characteristics can be identified in all key areas of human interaction, as Table 1 shows.

<table>
<thead>
<tr>
<th>Thematic Area</th>
<th>Global Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment and natural resources</td>
<td>Climate change, deforestation, depletion of water resources, loss of biodiversity, land degradation, depletion of ozone layer, lack of access to energy</td>
</tr>
<tr>
<td>Human development issues</td>
<td>Global poverty, lack of education, HIV/AIDS, diseases without borders, Millennium Development Goals, natural disasters, humanitarian emergencies, migration, undernutrition and hunger, unsafe water and lack of sanitation, vaccines and preventable diseases</td>
</tr>
<tr>
<td>Global economy</td>
<td>Subsidies and other trade barriers, money laundering, financial instability, lack of intellectual property rights, investment flows, corruption, the “digital divide,” global public goods</td>
</tr>
<tr>
<td>Peace and security</td>
<td>Arms proliferation, armed conflict, terrorism, de-mining, drugs and crime, refugees</td>
</tr>
<tr>
<td>Global governance</td>
<td>International law, treaties and conventions, global conferences, global financial architecture, global multilateral institutions, global partnerships</td>
</tr>
</tbody>
</table>

Given the limitations of time and the organizers’ capabilities, the seminar will not cover all of the global

---

4 www.facingthefuture.org/About/index.htm.
issues listed in the table. Instead we have tentatively chosen 15 global issues that, in our view, cover most of the current debate over the global development agenda. We deliberately omit peace and security issues, such as arms proliferation, because, although important, these issues are outside the World Bank’s mandate and expertise. For each issue we will discuss the nature of the problem or challenge, the forces shaping the issue, the controversies (if any) surrounding it, the actions already under way to address it, the likely consequences of inaction, and the role the World Bank is playing.

Global Compacts for a Better World for All. Our world is growing out of balance. Already 1.2 billion people live on an income of less than one dollar a day, and half of the world’s population live on less than two dollars a day. More than 800 million suffer from hunger and malnutrition. Meanwhile 80 percent of world income goes to 20 percent of world population. The vast poverty and inequality that these statistics indicate are themselves a global problem. They also contribute to other global problems, such as disease, environmental destruction, armed conflict, and terrorism. For example, 20 percent of the world’s population accounts for about 58 percent of total energy consumption in a given year. It is projected that half the world’s people will be under severe water stress by 2050. Many whole communities breathe air so polluted that it threatens their health and longevity. And, at the global level, climate change is well under way, with consequences still to be seen. Soil in many countries is being degraded, reducing agricultural productivity; forests are being destroyed to meet the growing need for food and fuel. Biodiversity is disappearing. Fisheries are declining. All these phenomena are well recognized, although everyone may not agree on all their aspects.

As the 21st century began, the world’s political leaders, acting with remarkable unity, agreed on a series of global compacts for a more prosperous and sustainable world for all the world’s people. The Millennium Summit of the United Nations, meeting in New York in 2000, announced the Millennium Development Goals (MDGs), a list of eight goals to be met, in most cases, by 2015. In Doha, Qatar, in November 2001, the member countries of the World Trade Organization laid out the Doha Development Agenda. The years since then have witnessed the Johannesburg Summit on Sustainable Development and the Monterrey Declaration. These compacts have the potential to prevent the world from growing further out of balance. However, progress has been slow, and there are real concerns that little will be accomplished, at least within the time frame originally proposed. This seminar will discuss these global compacts aimed at making a better world for all, as well as some issues that are emerging and may need addressing through such compacts. It will also discuss some of the controversies.

Equitable International Trade. In an ever more integrated world economy, international trade matters more than ever before. A robust and equitable trading system is central to the fight against global poverty, because it drives economic growth and provides jobs in developing countries where they are sorely needed. Measured by volume, world trade is growing and, since 2000, developing countries as a group have increased their share in world markets from 19 percent to 23 percent.

Yet growth in trade in many low-income countries has long been held back by protectionist policies in the more developed countries. Many of the latter offer subsidies to politically favored domestic industries such as sugar, textiles, apparel, and steel. These subsidies are a serious barrier to low-income countries’ exports. The Doha Round of trade talks, now under way, is the first to place developing country interests at the center of a multilateral round of trade negotiations. Although progress on the Doha Round stalled following the collapse of the September 2003 WTO Ministerial Conference in Cancun, Mexico, WTO members have committed themselves to make progress at the next WTO Ministerial, to be held in Hong Kong SAR in December 2005. A favorable outcome of the round—one that lowers both peak and average tariffs as well as nontariff barriers in both rich and developing countries—could stimulate worldwide increases in income and lift an estimated 144 million people out of poverty. This seminar will discuss the economic issues involved, the political forces driving the negotiations, and the consequences of a successful—or an unsuccessful—Doha Round.

Global Financial Stability. The emergence of a global, market-based financial economy has brought considerable benefits to those middle-income countries at the forefront of economic reform and liberalization—the so-called emerging market economies. Thanks largely to the opening of the financial sector in these countries, investors worldwide can now better diversify their investment choices across domestic and international assets, increasing their expected rate of return. Businesses within these countries, meanwhile, are better able to finance promising ideas and fund their expansion plans. As a result, financial resources worldwide are invested more efficiently, boosting economic growth and living standards.

At the same time, however, the globalization of financial markets has proved to be a double-edged sword. Even in those countries where liberalization has been a tonic for economic growth, it has also raised the real risk of financial crisis. The most controversial aspects of financial liberalization are capital account liberalization and, within the capital account, the liberalization of portfolio flows. The dangers were brought into sharp focus during the East Asian financial crisis of the late 1990s: the failure of financial systems in that episode imposed high economic and social costs, such as high unemployment, increased migration, social conflict, and social instability—and not only in the countries directly affected. In the wake of this and other crises, we have seen an urgent debate about reform of the international financial architecture to reduce the chance of further financial instability. This seminar will talk about the different aspects of globalization of financial services and capital transactions, including foreign direct investment and portfolio capital flows.

Military Conflict and Failing States. The immediate post-Cold War period witnessed a decline in the frequency of wars between countries but an increase in conflicts within countries. In 2004 alone there were 230 armed conflicts, including 3 wars and 33 severe internal crises. Armed conflict reduces or even reverses development in the afflicted country, and it disproportionately affects children and other noncombatants. Moreover, the effects are not limited to the country or countries in conflict; neighboring countries also often suffer spillover effects in the form of reduced income, increased incidence of disease, and heightened refugee flows.

A matter of more global concern is that conflict may cause large territories to fall outside the control of any recognized government, where they may become epicenters of crime, disease, and terrorism. A study by the Carnegie Commission estimated that the international community spent about $200 billion on the seven major conflict interventions of the 1990s. It calculated that preventing these conflicts would have saved the international community almost $100 billion. Recognizing that armed conflict and the emergence of failing or failed states is an issue of global scope, the world leaders attending the September 2005 UN summit decided on two major initiatives: to create an intergovernmental peace building commission, and to take collective action, through the UN Security Council, to protect vulnerable populations from genocide, ethnic cleansing, and crimes against humanity. This seminar will explore the dimensions of the global problem of conflict, the forces underlying conflicts, their national and international consequences, and a range of ways and means of conflict prevention, focusing on the role of the international community.

The Cancer of Corruption. Corruption is the abuse of public institutions for private gain. Recent studies have shown conclusively what has been long widely assumed, namely, that corruption is detrimental to both the economic and the political well-being of countries. The World Bank estimates that the cost of corruption amounts to $80 billion worldwide; a study by the International Monetary Fund indicates that corruption can reduce a country's GDP by more than 0.5 percent. Corruption creates distortions and inefficiencies in public life, and it increases inequality: it unfairly benefits the few with access to the powerful, while especially harming the poorest. Corruption is not just a national but a global problem, because large-scale corruption frequently involves international transactions and players. This seminar will discuss the international dimensions of corruption, including concerns about corruption in the provision of development assistance.

---

8 See Chapter 5 in Lomborg, ed., Global Crises, Global Solutions.
10 This section draws on an unpublished paper, “Conflicts and Post Conflict Reconstruction,” by Kaz Kuroda of the World Bank.
Debt Relief and Economic Growth. For low-income countries, external borrowing offers both great advantages and great disadvantages. When the proceeds of borrowing are directed at the right policies and programs, it can leverage a country’s ability to achieve its development goals. But too much borrowing can lead to problems in servicing the accumulated debt. A rapidly rising debt, as measured by the ratio of debt to GDP, for example, can threaten the debtor country’s development goals and even its long-term growth.

This danger became painfully evident in a few low-income countries in the 1980s and 1990s, and their plight sparked an international advocacy campaign, popularly known as the Jubilee movement, to forgive the debt of the poorest countries with huge debt burdens. This campaign led in 1996 to the launch of the Heavily Indebted Poor Countries (HIPC) Initiative: as of August 2005, 38 countries, 32 of them in Sub-Saharan Africa, potentially qualified for HIPC assistance. Of these, 18 are receiving irrevocable debt relief, and 10 are receiving interim relief; the other four have been beset by persistent social difficulties that make debt relief infeasible. This seminar will investigate the origins and dimensions of the debt relief issue, the forces driving current debt relief initiatives, the issues involved in debt sustainability and future growth, and the features of the most recent initiatives.

International Migration and Remittances. International migration is both a cause and a consequence of an interconnected world. About 180 million people worldwide live outside their country of birth. Future pressure for international migration will be great, driven by differences in demographics and real incomes between countries. Research shows that, although the largest economic gains from immigration accrue to the immigrants themselves, the international migration of labor can also benefit both the countries receiving immigrants and the countries sending them, and that it boosts world income and reduces poverty. In the receiving countries, migrants can fill labor shortages in certain industries. In the sending countries, they can help ease unemployment pressures and increase financial inflows, in the form of remittances from the migrants to their families back home. Remittances also help equilibrate the distribution of income. Worldwide remittances have doubled in the last decade, reaching $216 billion in 2004, according to official statistics, of which $151 billion is estimated to have gone to developing countries. Actual remittances are most likely higher, because remittances through informal channels are not counted.

The major issues surrounding international migration are how to help countries adapt to large-scale migration, and how to improve its global development impact. Equitable migration is a global concern because it is ultimately linked to other broader issues such as poverty reduction and human rights. Research on this global issue is still in its early stages, however. In 2003 the United Nations appointed a Global Commission on International Migration (www.gcim.org). This seminar will discuss the complex issues involved in international migration and remittances, such as incentives, governance, and inter-linkages with other issues.

Global Public Goods. Public goods are defined as those goods and services available for all people to access and consume freely. Public goods are considered global when they benefit all countries and all populations; some also benefit both current and future generations. There is no agreement on a more precise definition of what constitutes a global public good (GPG), nor is there any universally agreed-upon list of GPGs or of the ways and means of financing their production.

GPGs are almost inevitably undersupplied, both because countries typically cannot agree on which GPGs should be provided, or on how to share the burden of financing them. Even those GPGs whose inclusion on the list is widely accepted often fall prey to incentive and funding difficulties. For example, scientific and technological research, key to addressing many other global issues, is itself a global public good in many cases, yet is widely underfunded. At the same time there is overproduction of global public “bads,” such as communicable diseases, transnational drug smuggling, climate change, and human rights abuses. This seminar will discuss the concepts underlying GPGs and the controversies surrounding them, as well as the global programs currently addressing their provision.
**Diseases Without Borders.** Avian flu, HIV/AIDS, severe acute respiratory syndrome (SARS), tuberculosis, malaria, infant mortality, and the underprovision of vaccines and immunizations are just some of the public health issues that have appeared in the news in recent months. Together they have reinforced global awareness that communicable diseases do not respect national borders, and that how these issues are dealt with in developing countries has consequences for the global economy and global public health. This view is also grounded in years of research, which has produced some important breakthroughs but has also reported many dismaying findings: 40 million people worldwide are now infected with HIV, and those infected experience a decline in life expectancy of 6 to 7 years on average; communicable diseases represent 7 of the top 10 causes of child mortality in developing countries, even though 90 percent of deaths in children are avoidable. Improvements in global public health not only promise relief from human suffering on a vast scale, but also have important economic benefits, as reductions in mortality, reduced incidence of disease, improved nutrition leading to improved intellectual capacity, and other gains feed through to a larger, more productive, and more capable labor force.

The global importance of addressing public health issues, especially those involving children and women, and those involving preventable and communicable diseases, is gaining ever broader recognition, and many initiatives are under way. These include the four health-related MDGs and a number of global partnerships and funding arrangements such as the Global Alliance for Vaccination and Immunization and the Global Fund for AIDS, Tuberculosis, and Malaria. This seminar will discuss the urgent problem of diseases without borders and the options for addressing them.

**Education for All.** Education plays a central role in addressing many of the other global issues listed here. It is vital to increasing the productivity (and thus the income) of the labor force, to fertility reduction, to lower infant mortality rates, to better health in general, to the adoption of new technologies and environmentally sound practices, and to sustained economic growth. Recognizing its vital role and benefits, the international community has adopted universal primary education as one of the MDGs. Sadly, however, education remains only a dream for many. More than 100 million children of primary-school age are not in school. Of those who do go to school, it is estimated that one-third drop out before learning to read, write, and count.

Failure to educate the next generation amounts to a failure to ensure that tomorrow's populations will have the competencies necessary to survive in the modern world and society. This seminar will discuss the scope of the challenge and some of the initiatives under way to address the issue.

**Malnutrition and Hunger.** Malnutrition is one of the world’s most serious public health problems. Nearly one-third of children in the developing world are either underweight or stunted, and more than 30 percent of the developing world’s population suffers from micronutrient deficiencies. There is clear evidence that the major damage caused by malnutrition takes place in the womb and in the first two years of life; that this damage is irreversible; that it causes lower intelligence and reduced physical capacity, which in turn reduce productivity, slow economic growth, and perpetuate poverty; and that malnutrition passes from generation to generation, since stunted mothers are more likely to have underweight children.

To break this cycle, the focus must be on preventing and treating malnutrition among children under 3 years old and pregnant women. However, and despite the finding by one study that nutrition interventions pay some of the highest social returns of all public initiatives, the global community has yet to launch any major initiative in this area. Investments in micronutrients were rated above those in trade liberalization, malaria, and water and sanitation. The fraction of GDP lost to malnutrition runs as high as 2 to 3 percent. This seminar will discuss this urgent global issue, its consequences, and the actions that are necessary.

**Managing Water Resources and Access to Water.** During the past century, while world population has tripled, the use of water has increased sixfold. Some rivers that formerly reached the sea no longer do so—all of the water is diverted before it reaches the river’s mouth. Half the world’s wetlands have disappeared in the same period, and today 20 percent of freshwater species are endangered or extinct. Many important aquifers are being depleted, and water tables in many parts of the world are dropping at an alarming rate. Worse still, world water use is projected to increase by about 50 percent in the next 30 years. It is estimated that, by 2025, 4 billion people—half the world’s population at that time—will live under conditions of severe water stress, with conditions...
particularly severe in Africa, the Middle East, and South Asia. Many observers predict that disputes over scarce water resources will fuel an increase in armed conflicts.

Water that is safe to drink remains as central to survival—and to improving the lives of the poor—as it has always been. Currently, an estimated 1.1 billion people lack access to safe water, 2.6 billion are without adequate sanitation, and more than 4 billion do not have their wastewater treated to any degree. These numbers are likely to only grow worse in the coming decades, as the global response to the issue has thus far been weak. This seminar will discuss the global challenge of expanding access to water while managing the sustainable use of scarce water resources.

Meeting Global Energy Needs. The world economy of 2035 will be four times the size it is now, thanks largely to rising incomes in developing countries. Even if dramatic improvements in energy efficiency could be assumed, this quadrupled world activity will demand much more energy than is being consumed now. At current consumption patterns, the pressures will only get worse for fossil fuels, biomass, and electricity. Today, while, as noted above, the richest 20 percent of the world’s population consume 58 percent of the energy produced in a given year, the poorest 20 percent consume only 4 percent.

Unless these consumption patterns change, the energy issue will become more acute. At the same time, world economic activity must become radically less carbon intensive, to avoid not only environmental disaster (through climate change) but health disaster on an epic scale as well. A shift to renewable energy and low- or no-carbon fuels is essential, as are the development and adoption of energy-efficient technologies. This seminar will discuss current trends and future projections of energy use, the prospects for expanding supply, the determinants of energy production, the question of access, and the environmental effects of energy use and strategies for sustainable energy development.

Biodiversity and Forests. Maintaining biodiversity and healthy ecosystems is in the interest of rich and poor alike, for reasons that are both economic and non-economic. However, people rationally pursuing private gain may not only threaten the extinction of species of possible global importance; they may also damage resources valuable to their own family and neighbors. Sometimes the signs of loss of biodiversity do not become apparent until too late. The complexity of the problem, along with the possibility of irreversible losses, makes this an important global issue.

Much of this part of the seminar will focus on the biodiversity of the world’s forests, which cover 33 million square kilometers, or 26 percent of all the land on earth. More than 1.6 billion people depend to varying degrees on forests for their livelihood. Forests are home to at least 80 percent of the world’s remaining terrestrial biodiversity, and, by acting as a major absorber of carbon from the atmosphere (a carbon sink), they help regulate the global climate. Forests also help maintain the fertility of the soil, protect watersheds from erosion, and reduce the risk of natural disasters such as floods and landslides. The forest products industry is a source of economic growth and employment in many countries: international trade in global forest products is on the order of $270 billion annually, of which developing countries account for 20 percent. Worldwide, forest industries provide employment for 60 million people.

Despite the universally recognized importance of forests, a number of problems impede their sustainable management and conservation. Among these are encroachment of agricultural land on forests; ambiguous ownership of some forest resources; illegal logging and corruption in the public forest sector; and the contribution of deforestation to global warming and water scarcity. In addition to its focused look at the problems of forests, the seminar will explore the scale of the biodiversity problem, the drivers of ecosystem degradation, the global actions that are being taken or contemplated, and some potential solutions as well as key global initiatives.

Climate Change. Most climate scientists agree that climate change induced by human activity is occurring and that further change is inevitable. This poses a challenge to both the global environment and economic development. Recent studies indicate that human actions in the last 100

---

years have triggered an unprecedented rise in global surface temperatures and ocean levels, with a worrisome acceleration particularly over the last two decades. The consequences of these changes will affect billions of people, particularly in poor countries and in subtropical regions, leading to water shortages and decreases in agricultural productivity. Another serious risk is a rise in mortality rates due to heat stress and increased range of waterborne diseases. Beyond these effects, if the global climate is pushed far out of balance, it may become launched on an irreversible course toward catastrophe, with worldwide repercussions.

Thus the need is urgent to develop an effective approach to adapting to a world in which a changing climate is affecting livelihoods, especially of the poor. For that a global framework is needed, one that matches long-term global development needs with the necessary technical innovation and with the financial tools that will support consistent progress toward a low-carbon global economy. This seminar will discuss the challenge of climate change, the attendant controversies, and the action programs already launched, such as the Kyoto Protocol, the Global Environment Facility, and the commitments made at the conclusion of the G-8 Gleneagles Summit.

**Forces Shaping Global Issues**

9. Five major forces are at work to shape the global issues agenda: the demographic transition, growth in global income and inequity, technology and innovation, global interdependencies, and global communications and the rise of global advocacy. As important as the forces themselves are their interactions. This section will explore both.

- **The Demographic Transition**

  After doubling from 3 billion in 1960 to 6 billion in 2000, the world’s population is expected to increase to 8 billion by 2030 and then stabilize in the 21st century at 9 billion to 10 billion, or 20 to 30 percent fewer than forecast in the 1960s and 1970s. Most of the growth in population will occur in developing countries (population in the developed countries will actually decline), so that the share of developing countries in total world population is projected to rise from 85.5 percent to 87.4 percent by 2030. The dependency ratio—the number of nonworking people supported by the average worker—will decline in the developing countries, boosting their ability to increase saving and raise productivity. This in turn will increase their capacity to finance the investments needed to meet basic human needs, maintain public health, educate the next generation, and create job opportunities. However, given that some 2.5 billion to 3 billion people in developing countries (about half the current world population) now live on less than two dollars a day, the ability of these countries to take care of all their people is extremely limited. Unless the richer nations help through increased aid and trade, growing social discontent and outright conflict in developing countries will fester and eventually spill across their boundaries.

- **Global Income Growth and Equity**

  Even assuming a conservative global economic growth rate of 3 percent a year (at 2001 market exchange rates and prices), the global economy will grow from $35 trillion in 2005 to $75 trillion in 2030. This vast global expansion will have major consequences for both production and consumption, particularly of food, water, and energy, and will make today’s environmental stresses more acute. Within this expanding global economy, the developing countries as a group are projected to grow at 5 percent a year, while industrial country growth is projected to be just 2.5 percent a year. In this scenario the share of the developing world in gross world product climbs substantially from just over a fifth to a third, with a major share going to China. Although the share of the developing countries in world income rises significantly in this scenario, and absolute poverty in the world declines, the gap in income per capita between the rich and the poor countries

---

12 This section is adapted from “Overview,” in World Bank, *World Development Report 2003.*

would widen. Left to itself, persisting inequity both within and across countries will retard global
development.\textsuperscript{14}

\begin{itemize}
\item \textbf{Scientific and Technological Innovation}
\end{itemize}

Future breakthroughs in science and technology will potentially play an important role in improving the
health and productivity of the world’s poor people, mitigating climate change and environmental
degradation, and feeding a larger world population in a sustainable manner. Whether they actually do so will
depend in large measure on collective decisions about the funding, implementation, and dissemination of
 technological innovation.

\begin{itemize}
\item \textbf{Increasing Interconnectedness and Interdependence}
\end{itemize}

That people around the world are ever more interconnected can be seen in the growth of migration,
international tourism, international education, international telephone and Internet use, satellite television
use, global media, and international trade (and, unfortunately, in an increase in diseases that spread across
borders, in international terrorism, in threats to the global environment, and in other ways). The growing
interdependence of people and communities worldwide can be seen in terms of expanded economic
integration through trade, direct investment, and portfolio capital flows; growing public security concerns
related to drug trafficking, transnational crime, terrorism, and human rights; and concerns about the
overuse of worldwide resources and the preservation of the environment. These two forces—
interconnectedness and interdependence—are themselves interrelated and mutually reinforcing: growing
interconnectedness increases awareness of interdependence, and vice versa. Both forces are powerful
drivers of increased concern about global issues and demand for effective action. The fact that different
nations, communities, and individuals experience the benefits and costs of this increasing globalization
differently generates controversies; it also complicates, and sometimes undermines, the effective and timely
resolution of global issues.

\begin{itemize}
\item \textbf{Instant Worldwide Communications and the Rise of Global Advocacy}
\end{itemize}

The continuing revolution in communications technologies and networks is enabling the global flow of
information to all corners of the world instantaneously. People in today’s world know much more, and in real
time, about what is going on everywhere else in the world than their grandparents or even their parents
could have imagined. They—that is, we—are becoming more and more aware of the differences in relative
status of the world’s haves and have-nots, the interconnections between local human activity and global
ecology, and the increased vulnerability of all of us to diseases and conflicts arising anywhere. This rising
awareness has serious implications for the maintenance of peace and security across borders. Instant
worldwide communications and growing communications flows are generating a growth in public advocacy
and activism that elevates formerly local or regional issues to global status and mobilizes public opinion and
demand for action on a global scale. In very recent memory we have already witnessed this in several
manifestations: the debt relief movement, the climate change movement, the campaign to “make poverty
history,” and the international drive for new vaccines.

\begin{itemize}
\item \textbf{Values}
\end{itemize}

At the end of the UN Summit of September 2005, the world leaders present adopted a declaration that
spoke, among other things, of the value system that should guide international relations: “We reaffirm that
our common fundamental values, including freedom, equality, solidarity, tolerance, respect for all human
rights, respect for nature, and shared responsibility, are essential for international relations.”\textsuperscript{15} Appealing to
these shared values is a key part of advocacy and action on many global issues. Whatever their differences,
most people around the world believe in fairness and feel deeply that action is needed to reduce inequalities
in economic, social, and political opportunities. The core moral and ethical teachings of most world religions
include a concern for fairness, compassion, and equity. These universally shared values play a vital role in
shaping the debate on global issues.

\textsuperscript{14} World Bank, \textit{World Development Report 2006: Equity with Development}.
Global Governance: Taking Action On Global Issues

10. There is no global government to set global public policies and priorities, collect taxes on a worldwide basis, and allocate resources for addressing global issues. Thus progress on most of these issues depends on a deliberate—and deliberative—process of building international consensus for collective action. This consensus can be expressed in many forms, for example:

- **International conventions and treaties signed by both industrial and developing countries.** Programs based on international conventions or treaties enjoy strong legitimacy, thanks to their formal authorization, especially when there is strong participation of developing countries in their design and implementation, and equitable governance agreements. Examples include the MDGs and the 1987 Montreal Protocol on the control of chlorofluorocarbons.

- **International law.** The International Law Commission of the United Nations prepares drafts on various aspects of international law, which can then be incorporated into conventions and submitted for ratification by the member states. Once a nation has ratified the convention, it is legally bound thereto. Thus the ratification constitutes consensus. Some of these conventions form the basis of law governing relations among states, such as conventions on diplomatic relations and the Geneva convention.

- **Declarations signed by participants at international conferences.** These declarations represent a less explicit and less binding form of international consensus than formal conventions or treaties and are largely oriented toward advocacy.

- **Actions of the G-8, G-20, G-77, and similar intergovernmental groupings.** The declarations of such groups of countries are similar to international conferences in that they advocate and mobilize their members to take action, whether it be doubling aid for Africa, debt relief, or any of a number of other issues. Of course, these statements signify consensus only among their members, not a global consensus. The economic and political power of the group (greatest for the G-8, less for the others) largely determines its potential to engage in effective problem solving on global issue. What such groups choose to focus on may in turn be driven by advocacy efforts by civil society and other organizations.

- **Civil society campaigns and associations.** In some instances global action is driven by civil society campaigns such as the Jubilee movement, the Live Aid concerts, the Global Call to Action Against Poverty, and the Make Poverty History campaign. Some well-known annual global forums such as the World Economic Forum and the World Social Forum also frequently focus on global issues and can profoundly influence the debate.

- **Global partnerships.** Often partnerships to address global issues are established by groups of donors, including governments, private sector and civil society organizations, and international organizations. Recent examples in the health field are listed below. Many of these partnerships promote ownership among developing countries by focusing on issues of relevance to them and by demonstrating that they can have an impact:
  - The Global Alliance for Vaccination and Immunization (www.vaccinealliance.org/)
  - Roll Back Malaria (www.rbm.who.int/cqi-bin/rbm/rbimportal/custom/rbm/home.do)
  - Global Fund to Fight AIDS, Tuberculosis, and Malaria (www.theglobalfund.org/en/)
  - The Partnership for Maternal, Newborn, and Child Health.

11. Nations of the world have set up many international organizations with mandates to work on a wide array of global issues in the economic, social, cultural, education, health, and other fields. Among these multilateral organizations are the United Nations and its agencies (collectively called the UN system), the International Monetary Fund, the World Trade Organization, the World Bank, and the International Labor Organization. All of these are involved in managing global issues as mandated by their governance bodies, which consist of representatives of the member nations.
12. Dissatisfaction with the current global governance mechanisms is, however, widespread, and many feel that global issues are not being adequately addressed and that the current generation may leave the planet in worse shape than it inherited it. The subject of global governance therefore attracts a lot of debate, protest, and proposals. This seminar series will devote a full session to the topic.

Consequences of Inaction

13. The consequences of action, inaction, or inadequate action on global issues will, by definition, be felt globally. Although these consequences will vary from issue to issue, there is also significant interaction among issues and consequences. The consequences of inaction can be grouped into economic, social, security, health, and environmental effects:

- **Economic consequences.** If the world and its leaders fail to address such global economic issues as fairness in international trade, greater equality of income and opportunity, financial stability, sustainable debt, and corruption, the growth and stability of the global economy could be undermined and overall prosperity reduced. The consequences—weaker growth and greater inequality—would grow, feeding frustration and social stress. The insistence of the antiglobalization movement on turning back the clock would grow stronger and its protests more disruptive.

- **Social consequences.** As populations grow, as communities the world around become more and more interconnected, and as global flows of information accelerate and expand their bandwidth, more and more of the world’s people will know more and more about what is going on outside their local communities and national borders. Those suffering from inequality and deprivation will become increasingly aware of the better lives that others elsewhere lead. The slowing growth of world population and the rise in developing countries’ share of world income provide a great opportunity to address crucial human development issues such as health, education, migration, armed conflict, inclusiveness, social cohesiveness, institutional accountability, and better governance. Failure to address these issues adequately could have serious implications for civil peace and harmony in societies around the world.

- **Security consequences.** The widening gap between rich and poor, together with intensifying competition for increasingly scarce natural resources, both nationally and internationally, will fuel conflict and extremism, which will inevitably spill across national borders. Lagging development could also lead to the failure of states, some of which would likely become havens for terrorists or drug cartels. The damage would soon spread to other states, developing and developed, that remain otherwise intact.

- **Health consequences.** Failure to address malnutrition and the spread of preventable and communicable diseases would perpetuate and indeed increase human suffering and mortality wherever these scourges strike. The unchecked spread of disease would also have economic consequences, through reduced productivity and an increased disease burden, and these, too, would spread beyond national borders.

- **Environmental consequences.** Today’s patterns of production and consumption cannot simply be scaled up to a world with $135 trillion in annual gross product. Something would have to give, and that something is likely to be our shared environment. If today’s developing countries replicate the consumption patterns of today’s rich countries, great damage to the global environment, and to the planet’s ability to sustain life and growth, is in store. The technologies needed to change these consumption patterns and develop alternatives are among the most valuable of global public goods, yet their development is now largely neglected. If present trends in the deterioration of biodiversity continue, the world of tomorrow will be biologically much poorer than that of today, even if the many poor communities dependent on fragile ecosystems can be moved to alternate locations and livelihoods. The financing needed to compensate these communities, so as to preserve biodiversity.

---

16 Perspectives on Development, p. 72.
17 Wolfensohn and Bourguignon, “Development and Poverty Reduction,” p. 3.
for the benefit not only of the countries involved but indeed of the world, are huge—well beyond the means of those countries alone.

14. The World Bank’s *World Development Report 2003* took an in-depth look at the issue of sustainability in the 21st century and identified some key challenges, with local and global implications, that the world will face over the next five decades. As detailed below, the report concluded that the outcome would hinge upon *how* those challenges are addressed:

- Today 1.3 billion people live in fragile and often remote rural ecosystems—semiarid areas, mountains, and forests—and their numbers are growing faster than populations in more favored rural areas. Will these people be able to overcome poverty, improve their livelihood, and adapt to new opportunities—where necessary by migrating out? Or will they be left to languish?

- Populations in the cities and megacities of the developing world will more than double in this century. Will these urban areas live up to their potential as dynamic engines of growth and social modernization? Or will they become mired in poverty, pollution, congestion, and crime?

- Will renewable natural resources be managed as sustainable sources of livelihood and well-being, or will the world’s forests, soils, clean water, biodiversity, and fisheries be depleted?

- Will societies be resilient, forward-looking, and creative, able to promote more equitable development and cope with unexpected shocks as they undergo sweeping transformations in terms of growth and migration? Or will they become intolerant and hostile to new migrants, values, and ideas, and turn to fighting over resources instead of managing and replenishing them?

- Will poor countries be able to accelerate their growth without creating destabilizing social and environmental stresses? Will the prospective gross world product of $100 trillion at mid-century generate fewer of these stresses than today’s much smaller global economy is already experiencing?

**What the World Bank Is Doing About Global Issues**

14. The World Bank is not a “bank” in the everyday sense of the word. Rather it is one of the United Nations’ specialized agencies, governed by its 184 member countries. These countries are jointly responsible for how the institution is financed and how its funds are allocated. Along with the rest of the development community, the World Bank centers its efforts on reaching the Millennium Development Goals, the eight goals to which all UN members agreed in 2000, aimed at sustainable poverty reduction. The World Bank (formally structured as the International Bank for Reconstruction and Development and the International Development Association) is focused on the challenge of ending poverty. The World Bank supports the efforts of developing country governments to, among many other things, build schools and health centers, provide water and electricity, fight disease, and protect the environment. It does so by mobilizing resources from governments and financial markets in the world’s rich countries and channeling them into poor countries, in the form of low-interest loans, interest-free credits, and grants, so as to spur their economic growth. It also assists developing countries through research and other forms of knowledge sharing and technical assistance. Some 10,000 development professionals from nearly every country in the world work in the World Bank’s 109 country offices or at its Washington headquarters.

15. Over the past few years, the World Bank has put significant resources into activities meant to have a global impact. Along with its country members, the UN system, and numerous other organizations, the World Bank supports the Millennium Development Goals. In addition to its own programs, the World Bank is active in many global partnership programs that address global issues. Detailed information on what the Bank is doing on each of the issues listed below can be found on the Bank’s external website ([www.worldbank.org](http://www.worldbank.org)):

- Biodiversity
- Climate change
- Coastal and marine management
- Conflict prevention and reconstruction
- Corruption
16. Through its participation in global partnership programs, the World Bank plays an important role in collective action to address many global issues. Examples include the Global Fund to Fight AIDS, Tuberculosis, and Malaria, the Global Environment Facility, the Consultative Group for International Agricultural Research, and the Consultative Group to Assist the Poorest. The benefits of these partnerships are intended to cut across more than one region of the world. In each partnership the partners aim to

- Reach explicit agreements on objectives
- Agree to establish a new (formal or informal) organization
- Generate new products or services
- Contribute dedicated resources to the program.

The World Bank is increasingly being called upon to perform this role because of its global reach, its power to convene technical and financial expertise, its ability to mobilize resources, and its multisectoral experience and institutional knowledge. Global partnerships have become an important part of the World Bank’s work: it is now engaged in about 70 such programs worldwide. For more information see www.worldbank.org/oed/gppp.

Required Readings:


Optional Readings:

