

HAMUN 44

ECOSOC

Topic B:

The Rise of Nationalism and
Liberal International Economic
Order



Letter from the Dais:

My name is Andrei Merkoulov and I am the Economic and Social Council (ECOSOC) director of the Houston Area Model United Nations (HAMUN). I'm currently working towards an associate's of arts and plan on transferring to the Moody College of Communication at UT Austin to obtain a bachelor's degree in Radio Television Film. This topic will be dealing with the rise of nationalism, a movement becoming more prevalent throughout the globe, and the liberal international economic order, being open to new behaviour or opinions and willing to discard traditional values. I expect those who are involved to utilize and develop leadership, critical thinking, and real-world problem solving skills when addressing this topic of interest, being able to understand the consequences of nationalism and the liberal international economic order, whether they're for better or worse.

Committee Background:

The Economic and Social Council (ECOSOC) was established in 1945 by the Charter of the United Nations (UN), a charter that expressed an obligation to uphold the human rights of citizens and outlined a set of principles to be followed in relation to achieving "higher standards of living," addressing "economic, social, health, and related problems," and "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."¹ The committee's primary purpose is to venture into discussion of international economic and social issues, being the central platform for debate, innovative thinking, and reflection upon sustainable development. ECOSOC was amended once in 1965 and again in 1974 to increase the number of members from 18 to 54, with seats being allocated based upon geographic representation as follows: 14 to Africa, 11 to Asia, 6 to eastern Europe, 10 to Latin America and the Caribbean, and 13 to western Europe and other areas. The committee has undergone reforms twice, being in 2006 (A/RES/61/16) and 2013 (A/RES/68/1), in order to strengthen the Council and its working methods, emphasizing the integration and implementation of the outcomes of all major United Nations conferences summits in the economic, social, environmental and related fields.²

ECOSOC fulfills its mandate through its subsidiary bodies and in consultation of a broad range of civil society organizations (CSOs). More than 3,900 non-governmental organizations (NGOs) with consultative status may voice their concerns to the international communities due to their ability to participate in UN conferences, meetings, and special sessions. The consultative status is given by ECOSOC's Committee on NGOs, in which the committee on NGOs directly reports to ECOSOC upon concerns and procedural matters raised by CSOs. ECOSOC resolution

¹ Roberts, Christopher N.J. "William H. Fitzpatrick's Editorials on Human Rights (1949)." *William H. Fitzpatrick's Editorials on Human Rights (1949) - Geschichte Menschenrechte*, June 2017, www.geschichte-menschenrechte.de/schluesstexte/william-h-fitzpatrick-s-editorials-on-human-rights-1949/.

² "UN Economic and Social Council; Resolutions; Decisions." *United Nations*, United Nations, www.un.org/en/ecosoc/about/.

1996/31 of 1996 defines eligibility requirements, principles, procedures, obligations, responsibilities, and rules for NGOs and the UN to uphold when establishing a consultative relationship. As of the June 2018 session, the Committee on NGOs granted consultative status to 209 NGOs, deferred an additional 223 NGOs for consideration in 2019, and reviewed quadrennial reports.³

Statement of the Problem:

The Liberal International Economic Order (LIEO), also known as the US-led liberal international order, was created after World War II (WWII), being defined as an “open and rule-based international order” that is “enshrined in institutions such as the United Nations and norms such as multilateralism.” The term liberal refers to the political liberalism (in opposition to authoritarianism), economic liberalism (in opposition to economic nationalism), and liberalism in the sense that international relations theorists use (in opposition to realism).⁴

Nationalism is a political, social, and economic ideology and movement characterized by the promotion of the interests of a particular nation. An international nationalist movement is emerging with nationalists being concerned above all by the fortunes of their own peoples. Examples of this can be seen throughout Europe with the rise of far-right parties and Britain voting to leave the European Union (EU). Many European and American nationalists are succumbing to fear-driven narratives, such as a fabricated migrant threat and the corresponding need to ward off humans essentially deemed undesirable. When dealing with the economic aspect of relevant ideologies, these same nationalists are adopting a protectionism mentality, exhibiting hostility towards international institutions and treaties. American nationalists, such as the Trump Administration, are causing changes such as withdrawing from international treaties and organizations, including the United Nations Human Rights Council (UNHRC), the 2015 nuclear agreement and 1955 with Iran, as well as the 2015 Paris Agreement on climate change mitigation. The European nationalists are focused more on the EU and the international rules governing the treatment of refugees.⁵

Within the past five years, U.S. and European think tanks have been focusing their attention on a rise of non-Western powers, threats to the generally Western-led set of norms, rules, and institutions known as the liberal international order. This issue is coupled by the support for the liberal international order in Europe and the United States declining as well, as seen by the Brexit decision and the 2016 presidential election. Some western analysts and

³ “Economic and Social Council Plenary Background Guide 2019.” *National Model United Nations*, 2018, www.nmun.org/assets/documents/conferences/ny/ny19-bgg-ecosoc.pdf

⁴ Kundnani, Hans. “What Is the Liberal International Order?” *The German Marshall Fund of the United States*, 17 May 2018, www.gmfus.org/publications/what-liberal-international-order#_ftn1.

⁵ Rachman, Gideon. “Donald Trump Leads a Global Revival of Nationalism.” *Financial Times*, Financial Times, 25 June 2018, www.ft.com/content/59a37a38-7857-11e8-8e67-1e1a0846c475.

policymakers are attempting to defend the liberal international order and organizing a plan to reform it in order to save it.⁶

History of the Problem:

During and after World War II (WWII), the U.S. began fostering an international economic order that would prevent the high tariff barriers and ‘beggar-thy-neighbor’ policies, an economic policy through which one country attempts to remedy its economic problems by means that tend to worsen the economic problems of other countries, of the 1930s. To aid in traded expansion, the U.S. also pressured for currencies to be fixed in value relative to the dollars, which in turn could be exchanged for gold. In June 1944, at the Bretton Woods Conference (also known as the United Nations Monetary and Financial Conference), the world trading system was opened and exchange rates were fixed. The central principle of Bretton Woods was that peace depends on international prosperity, focusing on the three elements of trade, development, and monetary actions.⁷ To ensure the stability of the system, the U.S. endorsed and funded the creation of international financial institutions (IFIs) to monitor and enforce the international economic order. This resulted in the creation of financial institutions such as the International Monetary Fund (IMF) to prevent a balance-of-payments crisis among participating countries, and the World Bank, intended to help the European economies recover from WWII. Another institution that was created was the General Agreement on Tariffs and Trade (GATT), becoming the internal regime governing trade and causing the global economy to be somewhat more liberal after 1945. The IFIs failed to fulfill their intended functions due to the economic contradictions that were contained within the Bretton Woods conference. As capital controls were removed, it became nearly impossible for countries to maintain the “unholy trinity” of fixed exchange rates, open capital markets, and monetary policy autonomy. The U.S. also ran into the “Triffin Dilemma,” being unable to simultaneously increase international liquidity while pledging to keep the dollar convertible into gold.⁸

The IFIs were improved by the Group of Seven (G-7) countries (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) to handle exchange rates due to the collapse of Bretton Woods in 1971, the rise of the third world in the form of the Group of Seventy-Seven (G-77), and the oil shocks of the 1970s which lead to a split, contested international economic order. This arrangement proved to be successful over the next two decades as the new institutions increasingly focused their resources towards the developing world, with IFIs moving towards neoclassical policies of balanced budgets, trade liberalization, and low inflation.

⁶ Kundnani, Hans. “What Is the Liberal International Order?”

⁷ Ball, Christopher. “Post-1945 Liberal International Economic Order.” *ISU Public Homepage Server*, 2004, www.public.iastate.edu/~pol_s.358/31mar.htm.

⁸ Kundnani, Hans. “What Is the Liberal International Order?”

As a result of a slow decline in commodity prices worsening terms of trade in the developing worlds, these countries proposed a “new international economic order” (NIEO) in the 1974 United Nations General Assembly that was based upon the success of the Organization of Petroleum Exporting Countries (OPEC). The NIEO included orderly market arrangements to stabilize commodity prices, institutionalized forms of technology transfer, and changes in trade rules to allow the third world greater access to Organization for Economic Cooperation and Development (OECD) markets while protecting their home markets from foreign competition and the presence of multinational corporations. Unfortunately, due to the debt crisis of the early 1980s, many of the third world solidarities of the NIEO collapsed.⁹

IFI’s tasks began to expand to include advising transition economies, establishing common financial codes and standards, promoting democracy, combating corruption and more as a result of the rise of the economic globalization expansion and the end of the cold war. By 1995, the GATT morphed into the World Trade Organization (WTO), having stronger enforcement mechanisms. Yet, the rising influence and nationalism of developing countries (such as China, India, and Brazil) began threatening the WTO’s ability to expand further.

As of the start of the twenty-first century, the international economic order remains relatively open for trade and finance. The focus of international economic negotiations have begun to shift to questions in regards to business and social regulation. As China begins to challenge the United States as the economic hegemon (leading power), the stability and fate of the LIEO is left to be open to question.¹⁰

Current Situation:

When investigating the current state of LIEO, it’s important to distinguish the difference between western and non-western perceptions. For example, Fu Ying, chairwoman of the Foreign Affairs Committee of the Chinese National People’s Congress at the Munich Security Conference in 2016 stated that they support liberalism in one sense (a “rules-based” order), but not in another (a system based on Western values like democracy). Former U.S. Deputy Secretary of State Anthony Blinken, in an op-ed published in *The New York Times* shortly after the election of Trump, explained that the LIEO connected the world by the “free flow of people, goods, ideas and capital” based upon the “principles of self-determination and sovereignty for nations and basic rights for their citizens,” displaying American “hegemony” as benevolent. However, this description does not fit the the U.S. led LIEO that many outside the geographic West recognize. Outside, many see the LIEO as desperate attempts of the U.S. and Europe trying to preserve their own power and privilege. It can be interpreted, in other words, as the rise of nationalism to maintain pride and control.¹¹ It is commonly argued that the LIEO exhibits

⁹ Ibid.

¹⁰ Gale, Thomson. “International Economic Order.” *International Encyclopedia of the Social Sciences*, Encyclopedia.com, 2018, www.encyclopedia.com/social-sciences/applied-and-social-sciences-magazines/international-economic-order.

¹¹ Kundnani, Hans. “What Is the Liberal International Order?”

self-reinforcing characteristics, which simultaneously provoke reactive, self-undermining, sequences by enabling nationalist populism.¹²

Today, the LIEO is in crisis. For the first time since the 1930s, the U.S. has elected a president who is actively hostile towards the liberal internationalism. Donald Trump has made hostile statements towards trade, alliance, international law, multilateralism, environment, human rights, and the outlawing of torture, which if acted on, would effectively bring to an end America's role as the leader of the liberal world order. This is coupled with Britain's decision to leave the European Union (EU) during the 'Brexit' decision, bringing uncertainties to Europe and its involvement in the liberal international order. Across the liberal democratic world, populist, nationalist and xenophobic strands of backlash politics have proliferated, bringing a setback to the political leadership and renewed economic growth.¹⁴ An international nationalist movement is taking place, with many stating that Trump is central to this development. The U.S. president is emerging as an informal leader of the international movement, shifting American politics into a more nationalistic directions, changing the tone of politics everywhere. Nationalist themes are increasingly adopted by more traditional centre-right parties, such as Germany's CSU, Britain's Conservatives and Austria's People's party, emphasizing the dominant issue of immigration and the need to defend against swarms of migrants from outside the west, which can be seen even in 2013 as in Figure 2. This fear-driven, protectionist ideology dominates their economics, threatening the LIEO, international institutions, and treaties. The Trump administration has even withdrawn from international agreements and institutions, such as the Paris climate accord, and organizations like the UN Human Rights Council. Many of the conservative nationalists admire Trump and Putin as well,

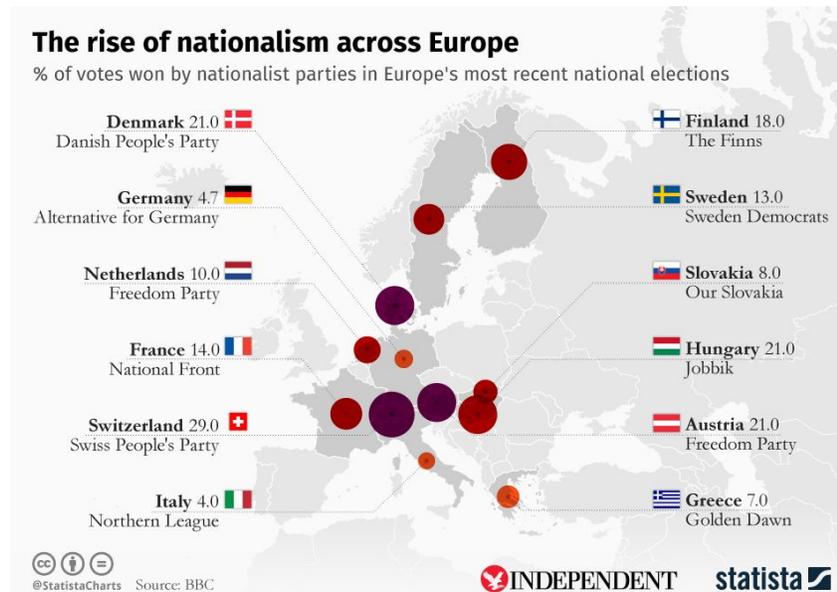


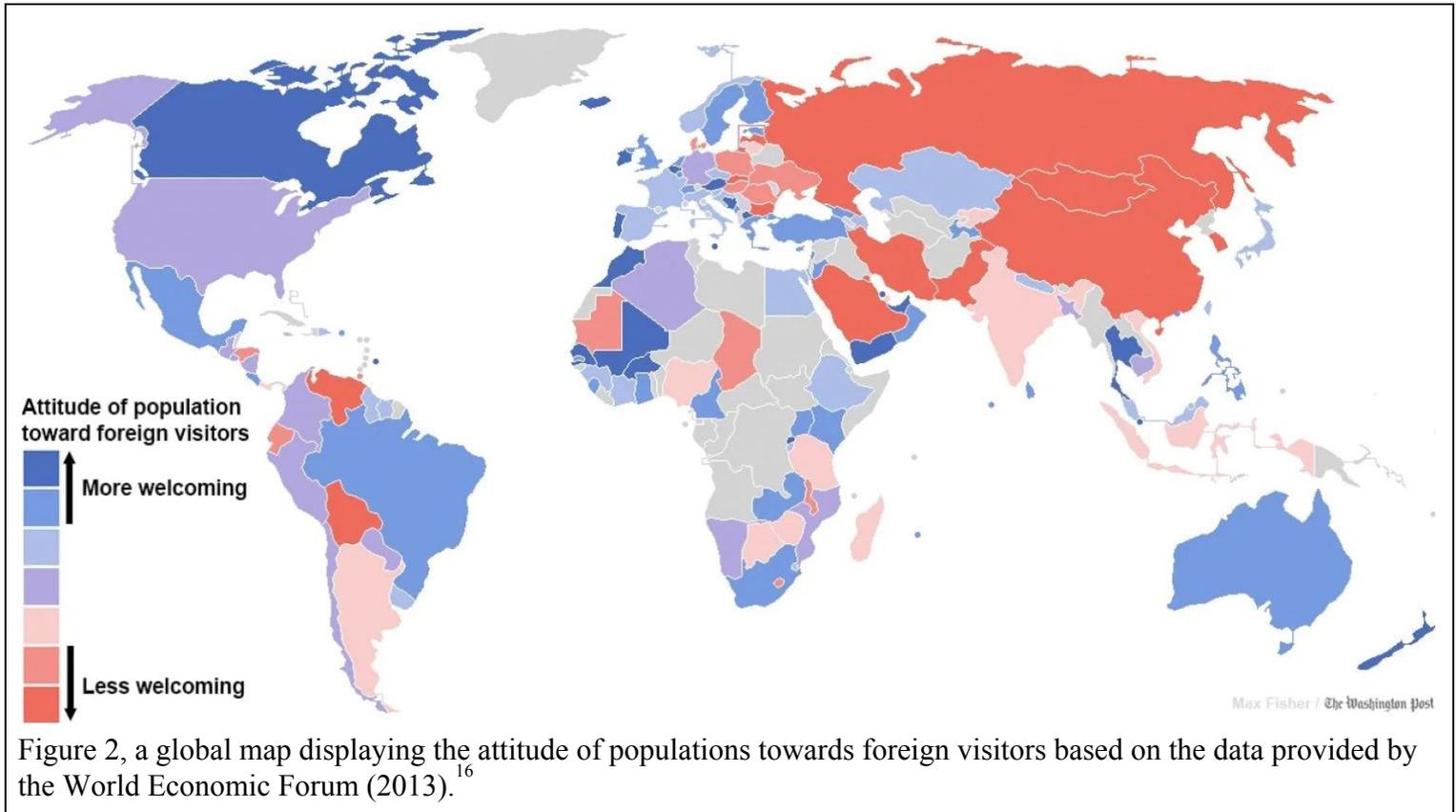
Figure 1, displaying the % of votes won by nationalist parties in Europe's most recent national elections as of 2016.¹³

¹² Rittberger, Berthold. "The Liberal International Order and the Rise of Nationalist Populism." *Center for European Studies*, 14 November 2017, <https://ces.ufl.edu/about/2017/the-liberal-international-order-and-the-rise-of-nationalist-populism/>

¹³ McCarthy, Niall, and Felix Richter. "Infographic: The Rise of Nationalism across Europe." *Statista*, 26 May 2016, www.statista.com/chart/4901/the-rise-of-nationalism-across-europe/.

¹⁴ Ikenberry, John G. *The End of Liberal International Order?* 2018, scholar.princeton.edu/sites/default/files/gji3/files/inta94_1_2_241_ikenberry.pdf.

being symbols of tough men who stand up for their nation, even regarding Putin's violation of international laws as a plus.¹⁵



This nationalism movement that is threatening the LIEO is not just located in the west, it's also prevalent in other areas such as Delhi, India. Many of the people feel their heritage is under siege in a sense that they are part of a global narrative. Many liberal internationalists find it hard to accept that the nationalist are making progress partly because they have some genuine political insights. A key problem of the nationalist emphasis though is in regards to the strong cultural and racial element, thinking of outsiders as less worthy than your compatriots, viewing them as people who infest your nation. It'll become much easier to treat them brutally. A second problem is that the new nationalists often ignore the complexity of the international world, creating a world in which nation-states see each other above all as rivals, being primed for conflict.¹⁷

¹⁵ Rachman, Gideon. "Donald Trump Leads a Global Revival of Nationalism."

¹⁶ Fisher, Max. "A Surprising Map of the Countries That Are Most and Least Welcoming to Foreigners." *The Washington Post*, WP Company, 21 Mar. 2013, www.washingtonpost.com/news/worldviews/wp/2013/03/21/a-fascinating-map-of-countries-color-coded-by-their-openness-to-foreigners/?noredirect=on&utm_term=.03faca8cc747.

¹⁷ Ibid.

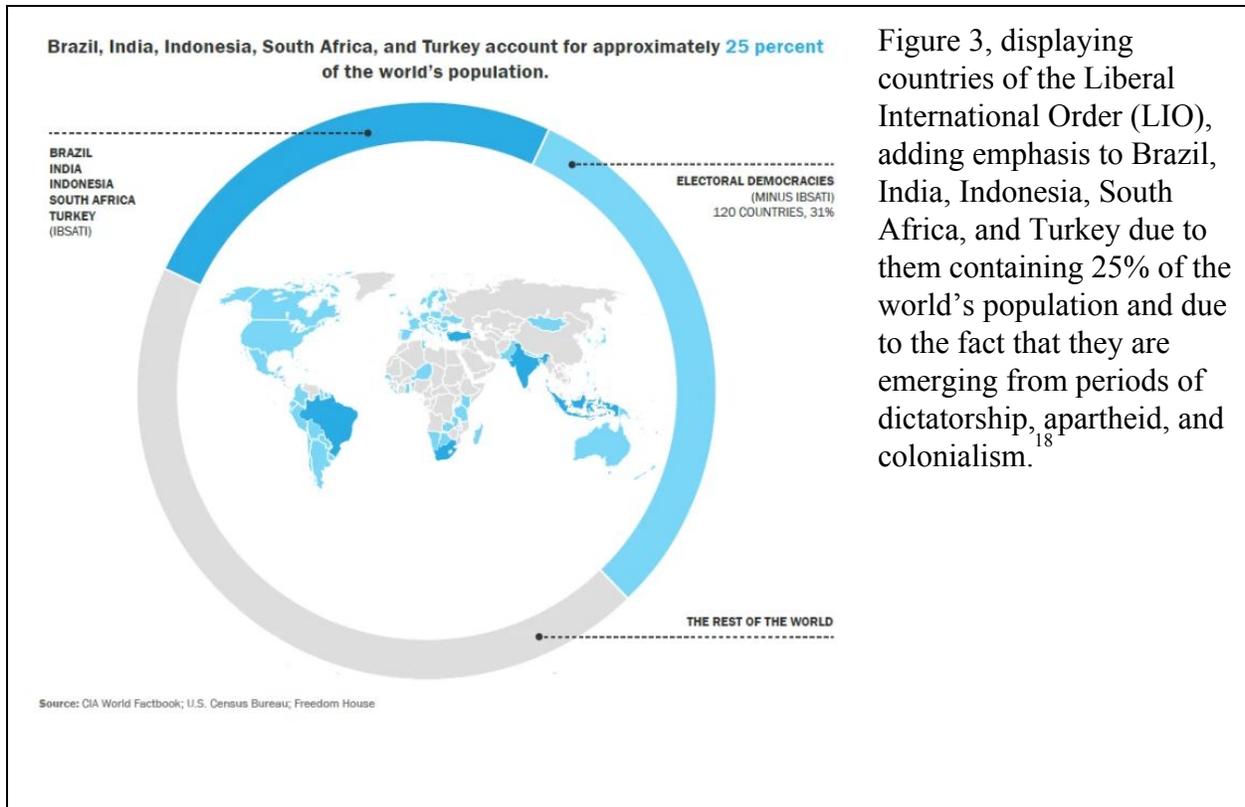


Figure 3, displaying countries of the Liberal International Order (LIO), adding emphasis to Brazil, India, Indonesia, South Africa, and Turkey due to them containing 25% of the world's population and due to the fact that they are emerging from periods of dictatorship, apartheid, and colonialism.¹⁸

Blocs:

The ECOSOC contains 54 seats, being allocated based upon geographic representation. The seats are allocated as follows: 14 to Africa, 11 to Asia, 6 to eastern Europe, 10 to Latin America and the Caribbean, and 13 to western Europe and other areas.

A serious debate is needed about whether and how it is possible to rethink the economic order without this leading to an unraveling of it. This may cause international conflicts between countries experiencing these nationalist tendencies, not only with countries that lack the nationalist tendencies, but also against other nationalist countries too that are considered to be in competition with each other with their ideologies.

Discussion Questions:

1. One peculiar detail to note is that the populace of the richest countries in the world, some of what should be the strongest benefactors of the LIEO, are turning against it. What factors have led to populations within the wealthiest countries to feel they've been cheated? Are there productive channels the unrest can be directed toward that would

¹⁸ Piccone, Ted. "Is the International Liberal Order Dying? These Five Countries Will Decide." *Brookings.edu*, The Brookings Institution, 29 July 2016, www.brookings.edu/blog/order-from-chaos/2016/02/17/is-the-international-liberal-order-dying-these-five-countries-will-decide/.

result in improved conditions and a greater sense of liberty without scapegoating vulnerable populations?

2. To some, there does appear to be contradictions in that the LIEO could have championed, created, or maintained institutions which lack wide democratic support, as democracy should be one of the core pillars of a liberal order. What could have led to the formation of these contradictions, and how can they be remedied?
3. The call for sovereignty has been used, recently by Trump but also by past US presidents and numerous other countries, to spurn the decrees of international institutions or committees. Nationalism and destructive or immoral policies have been snuck into agendas through such calls but they seem to, on some level, speak to a deeper desire for a society to determine its own rules. Is there a democratic deficit within the LIEO as it exists that may be giving such tactics more sway than they would otherwise command? How can the virtue of democracy be affirmed while denouncing a rising tide of nationalism, in such a way as to earn the mass support needed for a democratic order to be established or maintained?

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