



INTERACTION COUNCIL

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The InterAction Council held its 19th Plenary Session in Awaji, Japan: an appropriate location, given the pivotal role of Japan in the evolving political, cultural, and economic patterns of the 21st century. As the age of globalization accelerates, its effects on human life deepens across the world. It is important to ensure that internationalism rather than unilateralism, and positive interdependence and cooperation rather than widening inequalities, underpin this process. This calls for strengthening and reforming the United Nations and other international agencies toward the growth of good global governance.

The State of the World

1. Globalization in the economic sphere, as it has been witnessed over the last two decades, has entailed more rapid, more volatile financial flows between countries, higher volumes of goods and services traded between states, and the development of multinational corporations without firm ties to any particular national jurisdiction. In the social and political spheres, globalization has meant increasing movements of people, the internationalization of health and environmental concerns, greater exchange between cultures, the development of novel information technology, and heightened pressures on domestic and international political structures.
2. Globalization has resulted in economic growth in some regions and among some populations, but its benefits have been unequally distributed. One of the most significant issues to face leaders of this generation will be to ensure that all people gain from increased international interaction, and that disparities of wealth – both within and between states – are diminished. Globalization should be managed so that it works for the benefit of all.
3. While multinational business and financial institutions have reacted rapidly and effectively to globalization, political structures have not kept pace. Globalization erodes the sovereignty of states, raises questions about the preservation of distinctive national cultures and makes the provision of international public goods more urgent.
4. Today, the global population stands at 6 billion, 4.8 billion of whom live in the developing world. Over the next 25 years, the global population may increase by 2 billion – with 97 percent of these in the developing world – placing large strains on the environment, social systems, and urban policy. Effective population policies must be adopted, particularly by governments in developing nations, and such policies should be actively encouraged by developed countries. Advances in education, especially increases in basic education for women, are one proven element of any such policy.
5. The global pandemic of AIDS is no longer solely a health crisis, but rather a security and development crisis, threatening to erase the gains made across the developing world over the last several decades. The Council strongly endorses the call by Kofi Annan for a global trust fund to fight communicable diseases – AIDS, malaria, and tuberculosis – and calls on rich countries to devote resources to these efforts in addition to the funds which currently go to Official Development Assistance. The problem of AIDS has reached crisis proportions in Africa, where 2 million people died of the epidemic in 2000, and where 40 million children will be orphaned by AIDS within the next 10 years. AIDS is also rapidly spreading in South-East Asia and Russia.

6. The importance of information technology in the process of economic development must be emphasized. Globalization has been spurred forward by advances in electronic commerce, computerized service transactions, and automated financial markets. The Council is concerned by the large and growing “technology gap” within each country and between citizens of rich and poor countries. The development of adequate IT infrastructure depends upon good governance, and the crucial role of government should be recognized in the formulation of effective IT strategies. Special programs should be developed for the 50 least developed countries to help them equip with the modern infrastructure required to participate in the Information Age.
7. The end of the Cold War has not brought an end to threats to world peace posed by questions of nuclear military strategy. The Council believes that non-proliferation and nuclear disarmament will contribute to peace and stability for all nations. The intention of the United States to construct a missile defense system is contentious and opinion is divided. We hope that present consultative efforts by the United States will lead to international agreement on this issue.
8. Tension between Israelis and Palestinians has increased dramatically over recent months. Israel should recognize United Nations resolutions concerning the solution of the conflict with the Palestinian people, and should end its role as an occupying power. Although both Palestinians and Israelis have lost as a result of the renewed violence, which has taken place, Israel has reacted with disproportionate force. Respect for human rights amidst this crisis is vital. The world community should realize that continued conflict endangers economic and social stability and retards development prospects for the entire Middle East.
9. The Council recognizes the important economic reforms implemented by most Latin American countries. However, the worldwide crisis of governance is felt in this region as a consequence of both internal and external factors, including poverty, inequality, and ineffective economic growth. These trends undermine governments’ sense of legitimacy among their populations, perceptions which are increased by the compound effect of drug trafficking and military extremism – both from the left and right – in some countries. Accelerating efforts for regional integration and better trade agreements, not only with the United States but with other regions of the world are encouraged. More effective and higher levels of support from the international community, accompanied by further national reforms to improve human capital and institutions may help Latin American leaders increase their ability to govern effectively.
10. A number of countries in Africa have made dramatic progress over the last decade, but too many of them are still plagued by problems of human security, brought about either by inter-state war or intra-state communal violence. The Council deplores the fact that pockets of slavery still persist in Africa. African leaders must realize that their countries’ futures lie predominantly in their own hands, but the international community must support their efforts.

East Asia and the Pacific

11. The world overwhelmingly recognizes the policy that there is one China. Taiwan’s future remains as part of China, and it is wished that moves toward unity should be achieved

peacefully. Increased economic interaction between Taiwan and the mainland – as demonstrated by the \$40 billion in investments that have gone from Taiwan to mainland – will increase trust and smooth the way to a future peaceful reunification. The Council encourages that negotiations between China and Taiwan be conducted in good faith on the premise of “one state, two systems.”

12. The Council applauds the Sunshine Policy pursued by Kim Dae Jung and the summit held between South and North Korea in June 2000, and the developments in relations thereafter. However, the Council is concerned by the recent stalemate in relations, and urges both governments to work toward a speedy resumption of dialogue and progress. The Council urges the United States and all other nations with an interest in this region to strongly support this process.
13. The Council welcomes the new Japanese government, and supports its expressed desire to pursue full-scale efforts toward structural reforms, including fiscal reform, an overhaul of the financial system, and deregulation, while providing a safety net for the unemployed.
14. The Council supports recent progress toward establishment of a network of currency swap agreements in the Asian region. Such agreements can help prevent financial crises and their contagion, and broadened participation in these agreements should be encouraged. Such a network fosters dialogue in the region, which could form the basis for an Asian Monetary Fund complementary to the IMF. Such a Fund should be open to participation by all interested Pacific region states.
15. Indonesia remains on the democratic path despite enormous challenges with which it is coping daily. Indonesia needs greater support from the outside world, especially in surmounting its economic difficulties and maintaining its integrity.
16. The moment seems more opportune than ever for the broadening, development, and strengthening of regional forums of all the East Asian and Pacific states to meet regularly and deal more effectively with regional problems. The Council supports global solutions to regional issues in the context of APEC, the ASEAN Regional Forum, and ASEAN 10+3.

Pluralism and Global Governance

17. The collapse of the Soviet Union has contributed to the growth of unilateralism. It should be emphasized that unilateralism creates inherently unstable political structures, leading to the largely unrestrained exercise of power. Unilateral actions must be avoided and consultation, not only with allies but also with other significant actors, is absolutely essential.
18. The problems of today's world call for better mechanisms and institutions for global governance. Such governance should be understood broadly, to include not only formal international organizations such as the United Nations, the IMF, the WTO, and the World Bank, but also regional associations and appropriate participation by civil society. Governments should seek to maximize consultation and cooperation amongst themselves, not only through formal institutions.

19. The Council notes that specialized governance structures, including regional forums and topic-specific institutions, have proven themselves effective in dealing with many issues. Regional organizations, in particular, can help provide invaluable information to international forums in time of crisis. It is important that the rules and operations of such organizations are compatible with those of the broader international community.
20. Pluralism in the global community requires active participation within each state of all elements of society. In particular, the Council calls on all nations to actively encourage and support the participation of women in politics, in the economy, and in civil society. There is growing evidence that those countries furthest advanced in women's rights also enjoy the greatest economic prosperity.
21. A number of pressing issues cannot be solved at a national level, and require concerted global efforts, particularly in the areas of environment, health, trade, and finance. The Council urges that appropriate multilateral rules and institutions be developed to begin to deal with these problems. It should be noted that increased efficiency, transparency, and accountability of international institutions is essential to build legitimacy and support among member countries.
22. The Council is very concerned by the reluctance of the United States to support the Kyoto protocols, and urges that multilateral efforts to deal with environmental concerns be moved forward urgently.
23. Global institutions should deliver two international public goods in the field of economics: a liberal and fair trading environment, and a stable financial structure. International trade is of growing importance for both industrialized and developing nations, and its impacts should be managed so as to balance economic benefits with other important social, cultural, and political objectives. A new round of trade negotiations under the auspices of the World Trade Organization should be a "Development Round," and should ensure that developing countries enjoy a level playing field in their capacity to negotiate trade agreements.
24. The Council believes that the operations of multinational corporations, affecting developing countries, can be significantly improved by enforceable global rules and regulations. In this regard, the Council applauds the United States' adoption of rules prohibiting bribery of foreign officials, and supports the early ratification by European parliaments of the OECD Anti-Bribery Convention.
25. The Council strongly supports the crucial role of the United Nations in promoting international cooperation and development. The Security Council, in particular, must remain the sole source of authority for the use of force. At the same time, it should be recognized that the current structure of the Security Council does not reflect the balance of power between nations. Modernization of the Security Council is therefore important.
26. In the midst of these changes, modern societies must not lose their moral foundations. The Council reiterates its call for a Declaration of Human Responsibilities. Any time, anywhere, that politicians can act irresponsibly without public condemnation, public good will not prosper. This is a warning to the 21st century.

Participants of the InterAction Council 19th Plenary Session

IAC Members:

1. H.E.Mr. Helmut Schmidt, Honorary Chairman
2. H.E.Mr. Malcolm Fraser, Chairman
3. H.E.Mr. Kiichi Miyazawa, Co-Chairman
4. H.E.Mr. Andries van Agt (The Netherlands)
5. H.E. Dr. Valdis Birkavs (Latvia)
6. H.E. Mr. James Bolger (New Zealand)
7. H.E.Mr. Miguel de la Madrid Hurtado (Mexico)
8. H.E.Dr. Kurt Furgler (Switzerland)
9. H.E. Dr. Bacharuddin Jusuf Habibie (Indonesia)
10. H.E.Dr. Kenneth Kaunda (Zambia)
11. H.E. Mr. Jamil Mahuad (Ecuador)
12. H.E.Mr. Abdul Salam Majali (Jordan)
13. H.E. Mrs. Maria de Lourdes Pintasilgo (Portugal)
14. H.E. Mr. Jerry John Rawlings (Ghana)
15. H.E. Mr. Shin Hyon Hwak (Korea)
16. H.E. Dr. Kalevi Sorsa (Finland)
17. Prof. Isamu Miyazaki, Secretary-General (Japan)

Special Guests:

1. Prof. Archie Brown, Oxford University (U.K.)
2. Prof. Stuart Harris, Australian National University (Australia)
3. Mr. Yoshimasa Hayashi, M. P. , House of Councillors (Japan)
4. Prof. Richard Higgott, University of Warwick (U.K.)
5. Prof. Nagao Hyodo, Tokyo Keizai University (Japan)
6. Prof. Barbara Kellerman, Harvard University (U.S.A.)
7. Mr. Seung-Yun Lee, former Deputy Prime Minister (Korea)
8. Ambassador Toshio Mochizuki, Ministry for Foreign Affairs (Japan)
9. Mr. Huasun Qin, Vice Chairman of the Foreign Affairs Committee of the CPPCC National Committee (China)
10. Dr. John Roberts, former Secretary of State (Canada)
11. Dr. Neal M. Rosendorf, Harvard University (U.S.A.)
12. Prof. Amin Saikal, Australian National University (Australia)
13. Dr. Il Sakong, former Minister of Finance (Korea)
14. Mr. Yoshiyasu Sato, former Ambassador to the People's Republic of China (Japan)
15. Dr. Jian Song, Vice Chairman, the National Committee of the Chinese People's Political Consultative Conference (China)
16. Mr. Seiken Sugiura, Sr. Vice Minister for Foreign Affairs (Japan)
17. Dr. Teizo Taya, Member of Policy Board, The Bank of Japan (Japan)
18. Mr. Hiroshi Watanabe, Ministry of Finance (Japan)
19. Mr. Yijun Zhang, Vice Chairman of the Foreign Affairs Committee of the Chinese People's Political Consultative Conference (China)



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