

International Economic Cooperation Organization in Globalization and Anti-globalization: Roles and Challenges

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Abstract:

In the wave of economic globalization, the economies of all countries are closely linked, forming a complex and diversified international economic system. However, the trend of anti-globalization has grown more and more prominent in recent years due to significant changes in the global economic landscape and the ongoing accumulation of internal contradictions. This phenomenon is now unavoidable in the process of global development. In light of this, it is especially important and urgent to consider how international economic cooperation organizations will develop as important pillars of the global economic governance system, what major obstacles they will face, and how they will grow going forward. These organizations need to flexibly adapt to the ever-changing international economic environment to strengthen global economic cooperation and governance and jointly address the challenges posed by anti-globalization. This paper focuses on three representative international economic cooperation organizations, namely the World Trade Organization, the International Monetary Fund, and the World Bank, and adopts the research method of literature review, aiming to systematically summarize the research results of previous researchers. Through in-depth analysis, this paper seeks to reveal how these organizations have evolved new roles and faced unprecedented challenges in the complex context of globalization and anti-globalization. Lastly, this paper will offer specific policy recommendations for these international economic cooperation organizations based on the research mentioned above in order to help them respond to the current circumstances more effectively and to support the robust growth of the world economy.

Keywords: Economic globalization; Anti-globalization; International economic cooperation organization.

1. Introduction

In the wave of globalization, national economies have become closely interconnected, forming a complex and diverse international economic system (here, this paper focuses mainly on economic globalization, and later references to “globalization” are intended to refer to economic globalization). Economic globalization is a form of integration of national economies into the international economy through trade, foreign direct investment (FDI) (corporations and transnational corporations (TNCs)), short-term capital flows, the international movement of workers and humanitarians in general, and the flow of technology [1].

However, in recent years, the anti-globalization trend is becoming more and more prominent as the global economic pattern is adjusted and contradictions mount. Anti-globalization refers to the re-emergence of segmentation of the global market due to various internal and external factors, which is manifested in the rise of trade protectionism [2], the reduction of international cooperation, and the restriction of cross-border capital flows. In this context, international economic cooperation organizations, especially the WTO (World Trade Organization), IMF (International Monetary Fund), and the World Bank, as important pillars of global economic governance, have become the subject of in-depth research in academia and practice on the changes in their roles and functions, the challenges they face, and the direction of their future development.

Currently, research on international economic cooperation organizations has been quite rich, covering a variety of aspects such as their operational mechanisms, effectiveness of cooperation, challenges faced, etc. Went R pointed out that while economic globalization has been deepening, international organizations and regulatory mechanisms have been strengthened in tandem with each other, aiming to promote the internationalization of trade, finance, and production [3]. From the General Agreement on Tariffs and Trade (GATT) to the World Trade Organization (WTO), from promoting global trade liberalization to responding to the challenges of trade protectionism, the roles and functions of the WTO have been continuously adjusted with the changes in the international economic situation. The IMF, as the stabilizer of the international financial system, has played a key role in maintaining currency stability, providing financial assistance, etc., but its governance structure and crisis response mechanism are also facing calls for reform. However, its governance structure and crisis response mechanism are also facing calls for reform. The World Bank (WB), on the other hand, has provided valuable support to developing countries by providing development assistance and promoting poverty reduction and sustainable development [1].

Given the forces of globalization and anti-globalization, it is important to investigate how these organizations can continue to be effective in the complicated and unstable international environment while advancing the long-term growth of the world economy. Therefore, based on summarizing the results of previous research, this paper will further explore the new roles and challenges of international economic cooperation organizations in the context of globalization and anti-globalization and seeks to contribute new insights to research in this area.

2. Literature Review

Previous studies have argued that globalization is a complex process encompassing the free flow and deep integration of elements such as goods, services, capital, technology, information, and people on a global scale. It promotes the integration and interdependence of the world economy, which not only accelerates the transnational dissemination of knowledge and technology, but also brings unprecedented development opportunities to all countries. However, Bhagwati J points out that economic globalization, a goal pursued by many, many people, has also become the focus of criticism by advocates of anti-globalization [1]. Unlike the globalization of culture and communication, which emphasizes the integration of cultural exchange and mutual benefit, economic globalization is often seen as the expansion of capitalism across the globe, a view that has sparked widespread controversy. Anti-globalizers argue that economic globalization is the root cause of social problems such as the persistence of poverty in poor countries, the widening of the international gap between the rich and the poor, and the deterioration of the global environment [1]. Many scholars have concluded by demonstrating that various social causes supported by the public, such as the promotion of gender equality and the reduction of poverty, have been advanced by globalization rather than retrogressed [1,4]. By facilitating the global flow of resources, technology, and information, globalization has provided unprecedented development opportunities for developing countries and helped accelerate their economic growth and social progress. Therefore, a correct understanding and guidance of the globalization process is crucial to achieving common global prosperity and development.

It is important to note that Anti-globalization is different from Deglobalization. Deglobalization is not the opposite of global integration but aims to reduce the negative effects of globalization [5]. That is to say, although in special circumstances, such as a large blow to the economic level of one’s own country, it is possible to take some measures to reduce international cooperation and protect the domestic industry to stabilize the situation, but too

radical anti-globalization is still against the irreversible historical trend and therefore is not advocated. Most of the current studies take globalization and anti-globalization as the background, specifically exploring the determinants of this major trend or its impact on cosmopolitanism, national development, national economic transformation, and inter-state trade relations, and thus taking into account the relevant behaviors of international economic cooperation organizations in their studies, without a complete and comprehensive time-series, as well as an analysis of the roles and behaviors of the organizations on an individual basis. As a result, researching this subject is crucial. On the one hand, it can aid in a deeper comprehension of the part IECs play in international economic governance and offer national policy makers references for making decisions. On the other hand, through an in-depth analysis of the challenges they face, I can provide useful suggestions for the future development direction of these organizations, and promote global economic co-

operation in a more equitable, inclusive, and sustainable direction. The main innovation of this paper is to systematically explore the role change and coping strategies of international economic cooperation organizations in light of the dual background of globalization and anti-globalization, to inject new vitality into the research in related fields.

3. Role of International Economic Cooperation Organizations

Based on existing studies, this paper mainly selects the three major globalization institutions, namely the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank (WB), as the representative research objects of international economic cooperation organizations [6], reviewing their roles and functions in different historical periods, as shown in table 1.

Table 1. Functions of the three major international economic cooperation organizations

World Trade Organization(WTO)	Since its establishment in 1995, the WTO has been committed to promoting the liberalization of global trade by negotiating the reduction of tariffs and the elimination of non-tariff barriers and providing a predictable and transparent system of rules for international trade. In the early stage of globalization, the establishment of the WTO greatly contributed to the prosperity and growth of international trade.
International Monetary Fund(IMF)	Founded in 1945, the IMF's main functions are to maintain the stability of the international monetary system and to provide short-term loans and technical assistance to member countries in response to balance-of-payments crises. During the global financial crisis, the IMF played an important rescue role and helped many countries to tide over their difficulties.
World Bank(WB)	Also founded in 1945, WB is committed to providing medium- and long-term loans and investments to developing countries to promote the balanced development of the global economy. WB helps these countries to increase productivity and improve people's livelihoods by financing projects such as infrastructure construction, education reform, and healthcare [1].

Next, this paper will elaborate on the roles of these three major organizations in responding to the trend of globalization from the early 1970s to the present [6]. First of all, in promoting international trade and investment, the International Economic Cooperation Organization has reduced the costs and risks of cross-border transactions and facilitated the global flow of goods, services, capital, and technology by formulating and enforcing international trade and investment rules. For example, the negotiation of free trade agreements between China and ASEAN countries under the WTO framework culminated in the China-ASEAN Free Trade Agreement (CAFTA), which was fully implemented in 2010 and has greatly reduced tariff barriers between the two parties, allowed the free flow of products

and services, and stimulated investment and trade within the region. The WTO's tariff concessions and non-tariff barrier removal measures, as well as IMF regulation of international capital flows, have strongly supported the globalization process [3]. Secondly, the international economic cooperation organization has played a crucial role in addressing the challenges of global economic volatility and uncertainty. The international economic cooperation organization has worked together to address the challenges by strengthening economic policy coordination and cooperation among its member States. For example, the World Bank regularly publishes reports, such as the Global Economic Prospects, to analyze and forecast the global economic situation and

make policy recommendations. These reports and recommendations help countries to reach consensus and coordination on economic policies and achieve macroeconomic stability.

In addition, the international economic cooperation organization has been active in building and optimizing mechanisms and frameworks to address global economic issues. In the face of the financial crisis and other global economic problems, the international economic cooperation organization has played a key role. For instance, in the 2008 global financial crisis, the IMF moved quickly to offer emergency loans and other forms of financial assistance to a number of crisis-affected nations, while also enhancing policy coordination and dialogue with other nations to jointly address the challenges presented by the financial crisis. Meanwhile, the WTO preserved the stability of the global trade order and prevented trade wars from escalating by using its dispute resolution mechanism.

Relatively speaking, the international economic cooperation organization has played three main roles in the context of anti-globalization. First, in the face of the rise of trade protectionism, the WTO monitors and adjudicates countries adopting trade protectionist measures by strengthening its trade dispute settlement mechanism. For example, when a dispute over trade barriers arises among member countries, the WTO will organize a panel of experts to deliberate and make rulings to maintain the stability and openness of the multilateral trading system. In recent years, the WTO has repeatedly issued reports and statements on the issue of trade protectionism, stressing the importance of free trade and urging member countries to avoid protectionist measures. The IMF helps member countries cope with the economic shocks brought about by trade protectionism, mainly by providing economic analyses and policy advice. The IMF evaluates the impacts of trade protectionism on the global economy and provides member countries with fiscal and monetary policy. The IMF has issued reports on several occasions analyzing the threat of trade protectionism to global economic recovery and calling on countries to strengthen cooperation and jointly safeguard the multilateral trading system.

Secondly, concerning the constraints on cross-border capital flows, the World Bank helps developing countries improve their investment environment and attract cross-border capital flows by providing policy advice and financial support. The World Bank also cooperates with the private sector to promote infrastructure construction and industrial upgrading, to provide more investment opportunities for cross-border capital. Several reports and lending programs issued by the World Bank in the past have highlighted the importance of improving the investment climate in attracting cross-border capital.

Thirdly, the three international organizations, namely, the WTO, the IMF, and the WB, are all committed to strengthening international cooperation to address the various challenges of anti-globalization. In the face of the trend of declining international cooperation, the WTO, the IMF, and the WB often speak out together at international conferences and forums, stressing the importance of international cooperation and promoting the strengthening of cooperation among countries in such areas as trade, finance, and development. At the same time, they also help developing countries improve their ability to participate in international cooperation through technical assistance and capacity-building.

4. Challenges for International Economic Cooperation Organizations

In the face of the dual challenges posed by globalization and anti-globalization, there are three main areas to which the IEC needs to pay attention. First, while globalization has contributed to global economic growth, it has also exacerbated economic inequality. The income gap between developed and developing countries has widened, and the domestic gap between rich and poor has also become increasingly significant, which puts higher demands on the governance capacity and fairness of the IEC [6]. The interests of developed and developing nations differ when it comes to trade, investment, finance, and other areas of global economic governance. How to balance the interests of all parties and achieve win-win development is a major challenge for the international economic cooperation organization. The system of global governance must also constantly adjust to the shifting economic landscape as globalization continues. However, the existing IEC has deficiencies in its governance mechanism and decision-making process, making it difficult to adequately respond to the new challenges posed by globalization.

Secondly, in recent years some countries have adopted protectionist measures to restrict the process of international trade and investment liberalization. This not only undermines the potential for global economic growth but also weakens the foundations of the multilateral trading system. The international economic cooperation organization needs to take effective measures to address the challenges of protectionism and unilateralism. The multilateral trading system is facing serious challenges under the influence of the anti-globalization trend, and problems such as the blockage of the WTO dispute settlement mechanism and the slow negotiation process have highlighted the vulnerability of the multilateral trading system. The international economic cooperation organization needs to strengthen its cooperation and jointly safeguard the sta-

bility and authority of the multilateral trading system. The trend of anti-globalization has exacerbated the dilemma of global economic governance. It is now critical to strike a balance between the interests of all stakeholders in global economic governance and to advance the sustainable growth of the world economy. The organization for international economic cooperation must do more to advance the enhancement and reform of the framework for global economic governance.

Lastly, the international economic cooperation organization itself needs to restructure its internal structure and decision-making process in light of the shifting global economic landscape and the diversifying interests and demands of member states. The modernization of the organization's governance system should be promoted to improve the efficiency of decision-making and enhance the organization's transparency and credibility. In international economic cooperation, how to balance the interests and demands of member countries is also a complex and sensitive issue. The international economic cooperation organization needs to establish a more effective mechanism for coordinating interests to ensure that the interests of all parties are reasonably accommodated and balanced.

5. Conclusion

This paper has sorted out the main functions played by the WTO, IMF and WB in the world economy in the past, and analyzed their roles in responding to international trade and investment, economic policy coordination and cooperation, and global economic issues (e.g., response to the financial crisis). The role of the OECD in reverse globalization, on the other hand, mainly includes maintaining the multilateral trading system and promoting inclusive growth and sustainable development.

This paper examines the challenges faced by these three major international economic cooperation organizations in the face of globalization and anti-globalization. The challenges associated with globalization encompass various issues such as the escalation of economic inequality, the competing interests of developed and developing nations, and the flexibility of the global governance framework. The challenges of anti-globalization include the rise of protectionism and unilateralism, the weakening of the multilateral trading system, and the dilemma of global economic governance. The challenges of governance and reform within the organization itself include the need for reform of the organization's internal structure and decision-making mechanisms, and the need to balance and coordinate the interests of member countries.

Based on these analyses, this paper argues that despite the recent impact of the New Crown Epidemic on the

broader world economic landscape and the questionable effectiveness of many international economic cooperation organizations in implementing their policies and projects, they remain indispensable in maintaining global economic stability and development. This paper makes the following recommendations in light of the aforementioned difficulties: international economic cooperation organizations should fortify their international cooperation plans, raise the effectiveness of multilateral collaboration, encourage the development of novel global economic governance frameworks, and expand their stature and influence in the international economy. It is particularly noteworthy that in the current global economic landscape, the process of globalization has had a far-reaching impact on many countries, with emerging developing countries, in particular, benefiting significantly from it, achieving rapid economic growth and industrial upgrading through active participation in international trade and investment cooperation. On the other hand, however, some developed countries may be facing the problem of 'over-globalization', i.e., their economic systems, industrial structures, and labor markets have undergone profound changes in the course of globalization, but at the same time, this has brought about challenges such as increased economic inequality and the hollowing out of traditional industries. Therefore, in the context of globalization and anti-globalization, international economic cooperation organizations should also take appropriate precautions, draw on the experience of developed countries, and consider the unique circumstances of various nations, to provide effective assistance to the economic development of all countries in the world.

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