

Eighth Plenary Meeting  
Seoul, Korea, 23-26 May 1990

### **Managing “One World”**

The sea change that had started the year before accelerated in 1990. The Soviet Union abandoned the single-party dictatorship and introduced a presidential system in February, and Mikhail Gorbachev was elected as the first President of the Soviet Union in March. The United States and the Soviet Union agreed to reduce strategic nuclear weapons in May. East and West Germany integrated economically in July and were reunited in August. Iraq invaded Kuwait also in August. After the UN Security Council’s resolutions demanding that Iraq should get out of Kuwait were not heeded, the Gulf War started in November. The British iron lady, Margaret Thatcher, resigned after 11 years at the helm of the country, and Helmut Kohl massively won the first general election in the United Germany in December.

The first activity of the InterAction Council was the preparation for the eighth annual meeting scheduled for Seoul, South Korea. Miguel de la Madrid Hurtado chaired the meeting on “Ecology and the Global Economy” held in Amsterdam, the Netherlands. Maria de Lourdes Pintasilgo and Ola Ullseten participated from the Council in the meeting, along with 19 senior experts from around the world.

As a part of the Council’s commitment to solving ecological problems, the group concluded that suitable economic instruments could help to encourage sustainable development. The market mechanism and related instruments were regarded as vehicle that could provide both necessary signals and incentives. The principle that the polluter pays was advocated as the starting point for policy development, nationally, internationally and at the corporate level. Two major policy recommendations were made: (1) a climate convention should incorporate binding commitments for the reduction of emissions and (2) policies must be devised that would set international standards for preventing pollution and for progressively lower emission targets, along with the internationalisation of the costs of environmental degradation and pollution. The Council was first group to advocate a number of the specific proposals internationally, such as setting and announcing targets for national CO<sub>2</sub> emissions. These have been adopted a few years later by a number of countries.

Another high-level expert group meeting was held in Lisbon, Portugal on “Global Interdependence and National Sovereignty” chaired by Maria de Lourdes Pintasilgo. The meeting was attended by a large number of heavy weight Council members; Helmut Schmidt, Takeo Fukuda, James Callaghan, Kurt Furgler, Olusegun Obasanjo, Shin Hyon-Hwak in addition to the Chairperson Pintasilgo, and

nine high-level experts were invited to Lisbon.

This strong interest on the part of the Council members on the meeting was not surprising, as it was at a crucial turning point in history. Behind them was the 40 years of cold war, superpower confrontation and ever-burgeoning military arsenals. Before them was the chance to move towards a new era of peace, cooperation and dialogue. They all understood that positive and concrete steps had to be taken to seize the opportunity for changes and that these changes should not be reversed in the interest of all mankind. And they knew the management of this era would require new instruments, new styles of leadership and new definition of the interrelationship between national and global interests.

Helmut Schmidt began with a set of numerous questions on the obvious need for transnational authorities in the 21<sup>st</sup> century: how to maintain the social and economic development of the developing world; how to maintain some financial and monetary order; how to provide energy supply in the future; how to manage ecological problems in oceans, troposphere and atmosphere; and how to limit the population explosion. These questions implied the need for transnational authorities.

On the other hand, he noted that the idea of national identity and the principle of national sovereignty had also acquired a lease of life as the 20<sup>th</sup> century was drawing to a close, particularly in Central and Eastern Europe. He asked the group to devise a list of specific problems of today, during the 1990s and into the 21<sup>st</sup> century, which would be seen as problems of global interdependence that clearly go beyond the capacity of the nation state to solve.

The group responded by producing specific and succinct action proposals on peace and security, the global economy, population, environment, energy and human rights to be tabled in the Seoul annual plenary meeting.

### **Seoul Meeting**

Two months after the Lisbon meeting, the members gathered in Seoul, Korea. The country, having successfully hosted the Olympic Games two years earlier, was riding on a rapid course of economic growth towards soon becoming an industrialized nation. The Korean Government was grateful for the role the InterAction Council had played in South Korea's diplomatic normalisation, first with the Soviet Union and then the People's Republic of China. Korean leaders welcomed the chance of hosting the Council at this historical turning point, to show the outside leaders the rapid progress being made in their country. Led by President Roh Tae Woo, the sense of welcome was felt everywhere. The participation of the then opposition leaders (including Kim Yon-Sam and Kim Dae-Jung, the two successive Presidents after Roh) in many of the social events indicated that Korea was undergoing a political change, too.

Altogether 19 Council members and 10 special guests congregated in Seoul. Valéry Giscard d'Estaing, who agreed to join the Council, participated for the first time in the Seoul meeting. His participation was welcomed by all, but most strongly by Helmut Schmidt who enjoyed the presence of his dear, old friend. The two European leaders -- having brought the G-7 summit (at the time G-5) and the European Monetary Union, among other path-breaking transnational developments -- were linked together by strong and deep mutual trust and friendship. The Korean press was after them everywhere they went.

Another new participant was Kamel Hassan Ali, former Prime Minister of Egypt, a gentle Muslim who had become a businessman. As special guests, Robert S. McNamara, Milton Hudson and William Laughlin from the United States, Anatolyi F. Dobrynin from the Soviet Union, and Emil van Lennep from the Netherlands came to Seoul. (Laughlin was a retired entrepreneur whom the U.S. member President Gerald Ford, introduced to the Council. He became a strong supporter of the Council since then into 2005.)

Chairman Helmut Schmidt confined his keynote speech at the opening ceremony to financial matters on the theme of "Deregulation and Globalisation of Financial Markets and Implicit Dangers." He focussed on the dismantling of the international authority, competence and power of the International Monetary Fund, and the consequences of the age of international deregulation. He tried to suggest workable remedies, among them his proposal for a European System of Central Banks. Analysing the massive flow of international capital, he pointed out several potential dangers, including the under- capitalisation of commercial banks, especially at a time universal banking (allowing banks to handle any and all financial transactions, including securities business) was coming into vogue. As the best remedy, he suggested the establishment of close co-operation between the three most important central banks of the world. This highly specialised area of financial issues seemed beyond the comprehension of many who filled up the large conference hall of the venue.

Reflecting perhaps the mood of the era, there were few clashing views during the closed sessions. It seemed as though most of the participants felt the arrival of "one world" which they could not anticipate even a year before. However, they all shared the perception that any major progress entailed some risk and that the world had to come up with an effective approach toward interdependence. Nevertheless, it was also clear that the waves of change had not arrived in Asia. Korea was still divided into the North and South with a fragile truce, not even a full peace treaty keeping them from further conflict. This was a tragic symbol of the Asian situation.

The Council urged the governments of the two Koreas to take three specific actions as the first step

toward peaceful unification: (1) the leaders of both Koreas should agree to meet, without preconditions as soon as possible; (2) from a humanitarian view point both governments should permit immediate visits and unrestricted communications between members of separated families in the two Koreas; (3) to enhance mutual confidence between the two Koreas, both governments should legalize travel by the citizens of the two Koreas to and from the two countries. The host government, South Korea, itself was recommended to be admitted to the OECD and to become an aid donor. Incidentally, the two Koreas would be simultaneously admitted to membership in the United Nations the following year.

A lengthy time was spent on the dramatically changing Europe. German reunification, the transition to democracy by Eastern Europe were heartily welcomed, although the Council members warned against signs of a resurgence of xenophobic nationalism, racism and revanchism. They reminded the world that the success of democratization depends on the efforts by each economy towards structural reforms. In addition, the Council recommended that the countries of Eastern Europe would need significant flow of grants from the West on a scale comparable to that of the Marshall Plan to the Eastern European countries. The importance of the market economy combining efficiency with equity was also asserted. Accordingly, governments were asked to play a positive role in ensuring that differences in incomes did not lead to permanent social injustice and that unemployment resulting from economic change did not become a long-term phenomenon.

On the related issue of environment, the meeting endorsed de la Madrid Group's report, the participants praising the principle of the "polluters must pay." Again calling for an international conference on global environment, the Council urged on governments the following three policy measures: (1) to revise economic and social statistical systems to ensure that they tracked economic progress more accurately and could help in planning policies; (2) to adopt policies providing for the internationalisation of the costs of environmental degradation and pollution into public, corporate and private decision-making; and (3) to set and enforce progressively lower targets for emissions and pollution standards.

On energy policies, the key to arresting global warming, the Council decided that the abatement strategy proposed the previous year be reinstated. For the first time, the Council members called for urgent adjustments in industrialisation and consumption patterns in the industrialised countries, while they continued to ask the developing world to curtail an increase in their populations.

Lastly, defining Africa as the "Continent in crisis" the Council members drew attention to the fact that Africa alone could not resolve its crisis.

There were enjoyable and pleasant moments, too. Those from industrialised countries appreciated

the refined Korean culture and enjoyed shopping at markets where copies of European brands were being sold at one-hundredth of the original products. A pleasant evening was a 85<sup>th</sup> birthday party for the Honorary Chairman Takeo Fukuda. Always insisting to be “Meiji 38 years old,” (because he was born on the 38<sup>th</sup> year of Meiji Era) he had always refused birthday parties. It was thus planned to give him a surprise party on the last evening to express the Council members’ appreciation for the initiative and foresight of the founder of the Council. Much laughter filled the room, and the founder was obviously exuberant among his admiring international friends, so the Seoul meeting participants left South Korea the next morning in a happy mood. They were able to at least show their gratitude to the man who made these Council activities possible.

It was decided to meet the following year in Eastern Europe where efforts of transition and democratization were proceeding. The decision on the place was left to Chairman Schmidt. A matter of a few weeks after the Seoul meeting, Helmut Schmidt obtained the agreement from President Valcav Havel of Czechoslovakia to host the next meeting in the ancient capital, Prague.

Helmut Schmidt was hospitalized that fall and with the conflicting schedules of other Committee members, the Executive Committee meeting was not held that year and it was decided then that thereafter no separate Executive Committee meetings would be held. The decision was based on a financial reason, too, as the Council was beginning to feel financially hard pressed.