

# COMPETING FOR ORDER

CONFRONTING THE  
LONG CRISIS OF  
MULTILATERALISM

By Bruce Jones &  
Susana Malcorra







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## COMPETING FOR ORDER

### Confronting the Long Crisis of Multilateralism

*By Bruce Jones and Susana Malcorra*

*In September 2020, against the backdrop of the ongoing COVID-19 crisis, the heads of state or government of 170 countries met—virtually—to commemorate the occasion of the 75<sup>th</sup> anniversary of the United Nations. In an outcome document that had been negotiated over the summer, they tasked the Secretary-General with developing ideas to reinvigorate multilateral cooperation in twelve areas, ranging from public health to peace and security.*

*This is not the only process by which governments are seeking to develop ideas to tackle the ongoing crisis of the multilateral order. In various informal groupings, governments and civil society institutions have begun to look for answers to this essential question: can the multilateral order, on which so many have relied for so much, be revamped in the face of mounting geopolitical tension, divisions over globalization, and rapid technological change? It's a question made both more necessary and more difficult by the outbreak of the largest international public health crisis in a century.*

*This paper—launched at an event cohosted by the Minister of Foreign Affairs, European Union and Cooperation of Spain, Arancha González, and the Minister of Foreign Affairs of Sweden, Ann Linde—is designed to help governments in the process of answering that question. It is intended to spark debate and spur a continuing discussion. Our hope in publishing it is to inform clear-eyed assessments by governments as they develop strategies for the rejuvenation of multilateralism; but we also hope to encourage a sense of ambition in that effort, commensurate with the scale of the challenge ahead of us.*

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*This is the first paper of the series, [Competitive Multilateralism: Revitalization and Realism in an Era of Global Tension](#)*

## 1. INTRODUCTION: A CRISIS FORGOTTEN

It was a striking moment. The president of the United States, the world's most powerful country and the architect of the post-war order, was standing on the floor of the UN General Assembly and none too subtly threatening the existence of the organization. Speaking in the high rhetoric of international diplomacy, he laid out his case for war and told his rapt and nervous audience that they had a simple choice: go along with America's policy or become "irrelevant." In the basement negotiating chambers of Turtle Bay, senators from the president's party were explicitly calling for the United States to withdraw from the United Nations itself. It was a moment of acute tension, the knife's edge. It was September 12, 2002.

Looking back from our present-day dystopia of pandemic disease and populist dysfunction, it's hard to recall that distant moment as a crisis in international affairs. After all, the Western nations who held the most power in the world, though shaken by the speech and by the United States' rush to war with Iraq, still viewed the country as more of a force for good than disruption. The rest of the world had insufficient power to do much other than acquiesce. The same president, to much dismay, had pulled the United States out of a key climate-change treaty. But in the economic realm that undergirds the international system, the United States was continuing to provide the essential goods that only a hegemon can: a vast, open domestic market; a stable reserve currency; an open investment regime; a willingness to act as lender of last resort in financial crises; naval protection for the free flow of oil and gas from the Persian Gulf to the global market; and enforcement of the law of the sea—against terrorists, smugglers, pirates and proliferators alike.<sup>[1]</sup>

So, the fact that the country that authored most of the treaties on which a semi-predictable order relies was about to shatter a key provision of the foundational text of international law was—well, it was what it was. The world's most powerful diplomats did what they are paid to do and found a creative way to paper over the disagreement. International lawyers protested, but the world moved on.

Multilateral cooperation remained central to the dynamic of international affairs in the ensuing decade and a half. Indeed, the period saw substantial innovation. Ironically, the Bush administration, in its second term, oversaw some of the widest expansions of the remit, authority and scope of multilateral institutions in their history. But those advances masked deeper, mounting challenges.

Were such a moment to be repeated in September 2020—had, say, President Trump used the 75<sup>th</sup> anniversary of the United Nations organization to threaten American withdrawal—it seems unlikely the world would shrug and move on. The crisis now is deeper than the crisis then.

This paper charts the roots of the present crisis of the multilateral order. It depicts the nature of the challenges that now confront us and provides an initial sketch of alternative pathways forward. It argues

**THAT OUR CURRENT MALAISE STEMS FROM MUCH MORE THAN JUST THE ANTI-MULTILATERAL INSTINCTS OF SOME CONTEMPORARY POLITICAL LEADERS; RATHER, IT HAS DEEPER ROOTS AND HAS BEEN MORE THAN A DECADE IN THE MAKING.**

(It should be stated up front that our concern is not with reform of multilateral institutions per se (though that may form part of a strategy) than with the deeper question of the policy of leading and influential states (or coalitions thereof). Our use of the term *multilateral order* is therefore distinct from that of *international order* (a more narrow concept) or the *multilateral system* (an approach that emphasizes institutions over power). In this way, our analysis lies between the conceptualization of multilateral institutions as tools to regulate state behavior that is reflected in the policy approach of some European capitals (an approach that, in our experience, understates the role of power in shaping cooperation) and the more naked approach to primacy as order than characterizes some American thinking—an approach that understates how much high-priority international action is actually structured in, around, or through multilateral arrangements.)

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## 2. HOW WE GOT HERE

### Post-Cold War Expansion

The United States behaved very unusually in the decade following the Cold War. Having emerged as the sole dominant power in international affairs, it chose to exercise its hegemony to a large extent by advancing multilateral arrangements for trade and security and inviting former rivals to join them. [ii] It also acceded to a major expansion of the remit and responsibility of multilateral institutions. Four institutional evolutions characterized this post-war period. In Europe, there was the launch of the NATO Partnership arrangements with Russia. In Asia, there was the invitation to China to join the World Trade Organization, recently upgraded from the GATT. In Africa and Latin America, there was the expansion of the UN's conflict management instruments into the internal security and political affairs of member states—what became known as the *peacebuilding* agenda. And globally, there was the launch of the Millennium Development Goals, which took the overseas development aid agenda away from its Cold War strategic logic and repurposed it around poverty reduction.

The result was a period of shared prosperity and relative comity in great-power relations; it was not completely free of tensions, but it was largely free of a risk of military clashes among the top powers. [iii] In parts of the developing world, the first part of the post-Cold War era saw a surge in civil wars; but as the era continued, the expansion of the UN's mediation and peacekeeping practices resulted in a steady decline in wars, eventually in every region of the world—a dynamic that held for two decades. [iv] New mechanisms were created, like the UN's humanitarian machinery, the development of a standing bureaucracy in support of international peacekeeping, the Additional Protocol of the International Atomic Energy Agency, and a Chemical Weapons Convention. More and more countries joined the WTO and opened their economies to globalization, and the International Monetary Fund and the World Bank—shaped by the prevailing maximalist Washington Consensus of the Thatcher-Reagan era—oriented their efforts towards helping major developing nations navigate liberalization. There was an effort, too, to expand the remit and the effectiveness of key specialized agencies of the international system—for example in dedicated efforts to build up an infectious disease and surveillance capacity within the World Health Organization (from 1997 on), and the expansion of the remit of the UN Framework Convention on Climate Change, including the signing of the Kyoto Protocol in 1999.

While the United States' overall posture set the framework for this phase of international life and drove the most ambitious multilateral expansions (at NATO and the GATT/WTO), it was European states that drove much of the innovation and reform of the wider international system. Countries like Britain, Sweden, Norway, and the Netherlands—the middle powers of the moment—devoted substantial intellectual, financial, political, military, and human capital to the enterprise of multilateral innovation. At the same time, of course,

they were deepening their cooperation on the European continent itself, with a series of negotiated expansions of the then-rebranded European Union. By the end of the 1990s, the EU's development and humanitarian programs had come to match their American counterparts in scale—and then subsequently outstripped them both in size and in effectiveness. Some of this was managed bilaterally, but a great deal of European policy, personnel, and money flowed through the formal multilateral institutions in Brussels, New York, Vienna, and Washington. Other US-allied western powers—notably Canada and Australia—also played important shepherding roles, often in the lead (visibly or behind the scenes) in the major policy innovations of the period—on land mines, chemical weapons, nuclear inspections, human security, and the like.<sup>[\*]</sup>

The essential point to recall is that during this period (roughly from 1989 to 2001), the West enjoyed near-total dominance of the international system. There were of course fora or issues where the Non-Aligned Movement or the G-77 or the Russians could move to frustrate Western intent, occasionally even to block western initiatives. But in the main, the United States, its core European allies, and US-aligned western nations held sway over the governance of the Institutions, dominated their finances, selected their leaders, and all but dictated their policy choices—and thus dominated the shape of the multilateral order.

In so doing, the West espoused a broad concept of its interests, and argued that it was acting, at least mostly, in the "global" interest. And there was surely a substantial deal of truth to that: a wide conception of national interest, a tradition of genuine attention to the fate of less developed countries, and a strong humanitarian impulse in several Western societies all complimented the underlying logic of democratic, market-oriented countries who saw in their own systems the prospects for a "win-win" expansion of free trade, liberal values, and collective security. That sometimes these countries acted in their more narrowly described interests, or that their actions often contained a good deal of hubris concerning their ability to export stability, does not change the fact that the multilateral system was, at its core, a mechanism for the West to export liberalism to the developing world.

Of course, some countries resented this; but at the time, they had too little power to impede it. And across the board the United States, which had the power to block *any* of it, chose in the main to adopt a permissive stance of multilateral expansion. If cooperation had a golden age, this was surely it.

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<sup>[\*]</sup> During this phase, Japan and Germany were the number two and number three donors to the multilateral system as a whole but rarely exercised the diplomatic leadership that their financial stake potentially enabled. Only more recently have Tokyo and Berlin taken up the mantle of diplomatic activism in defense of the multilateral system.



## A Retooling

This largely benign conceptualization of international affairs was sharply interrupted—but not collapsed—by the 9/11 Al Qaeda attacks and the start of what would become nearly two decades of sustained American warfare in the Middle East.

At first, that moment actually deepened international cooperation, bringing even more countries into the American-led system, as myriad countries from all walks of political life moved to condemn Al Qaeda (and had their own interests in seeing Islamic terrorism dealt with forcefully). A wide coalition of partners joined forces with the US in Afghanistan. Cooperation on counter-terrorism efforts seemed—briefly—to create a lens through which to drive cooperation between the United States, Russia and China, as well as Europe (though Europe had a more liberal view of the role of human rights issues in the counter-terrorism response.) And, reflecting the post-war tradition of marrying security and economic cooperation, the Bush administration saw the merit of agreeing to a new round of trade negotiations designed to create benefits for the major developing nations that had just opened to globalization—especially India, Brazil, and China, the latter of which had just completed its negotiations to join the GATT (soon to be refashioned as the WTO.)

Looking back, it is possible to reflect on how this original post-9/11 impulse to cooperate could have been solidified. The wider partnership that accompanied US and NATO operations in Afghanistan, for example, gave rise to serious discussions about the prospects of a "Global NATO." The effort to forge common responses to non-state actors spread to counter-piracy efforts, which had started to threaten seaborne trade (then valued at about \$1 trillion), leading India, China, and even Russia to join forces (or more specifically, navies) with NATO and EU counter-piracy efforts in the Indian Ocean. And in the economic realm, the Asian financial crisis saw substantial cooperation from a new instrument, the Finance Ministers G20—created by the Canadians as an effort to widen economic cooperation beyond the G7.

This sense of possibility dissipated over time, though. This phenomenon had multiple sources. There were frustrations with the poor results of the American strategy in Afghanistan and serious concerns with the American move to the Iraqi theatre, which strained this incipient coalition. Bush's withdrawal from the Kyoto Protocol increased the sense of tension within the West. And the Doha Round of trade talks stalled, as the West encountered the political difference between exporting liberal values abroad on the one hand and absorbing domestic economic costs to advance the policy on the other.

But still, the scale of American power and the absence of alternative economic or security orders left the United States broadly in command of the dynamics of international order and the multilateral system. The functional evolutions in this period were primarily geared to American international security interests, especially in the wider combat against transnational terrorism. There was

a large-scale expansion of the scale, scope, and remit of UN peacekeeping operations; the launch of counter-terrorism financing instruments at the World Bank and the OECD; a move of NATO into extra-regional operations; and the adoption of a series of instruments for counter-proliferation—some of which had started as coalition arrangements but were eventually endorsed (over Chinese and Russian concerns) by the UN Security Council—for example, the Proliferation Security Initiative. Even the issue which then arguably topped American security concerns, Iran’s nuclear program, was handled largely through the UN Security Council and adjacent mechanisms like the P5+1 (which brought in Germany, marking the first time in the post-Cold War era that Germany lent substantial diplomatic and economic muscle to a major multilateral initiative). Europe had its concerns with American policy during this period, but in general the major European nations went along with the broad strokes of Bush’s counter-terrorism agenda and consistently sought to keep the Americans embedded in the multilateral order.

The American attitude towards multilateralism evolved during this period, and in somewhat complicated ways.<sup>[v]</sup> On the one hand, George W. Bush’s own thinking took a U-turn: from the skepticism of his first term to ultimately endorsing the notion of “assertive multilateralism” in the second. But while this meant that the United States was more willing than some feared to continue to work through multilateral institutions, it also meant that it was far more assertive in shaping the policy direction of those institutions than during the more relaxed 1990s. The early 2000s marked a time when the United States felt threatened, and its sense of threat led it to wield its power in a more demanding way. The “you’re with us or you’re against us” of the early post-9/11 moment did not actually characterize all of US diplomacy during this period, but something of the effects of that sentiment lingered on in the halls of the key capitals and the major multilateral institutions themselves.

Three things then came together to bring this phase of what we might describe as *assertive American multilateralism* to a close. Most important, the global financial crisis of 2007-2008 brought with it great costs for the US Treasury, and strained relations between Washington and its closest allies—several of whom (notably Germany) rejected the Bush/Obama approach to stimulus, stoking resentment on both sides of the Atlantic—and sowing the seeds of the Eurozone crisis that followed. Shortly thereafter, the Arab Spring began to roil North Africa and the Middle East, miring the United States into ever deeper entanglement in the region with ever-fewer effective results, creating opportunities for Russian spoiling, and further straining relations with Europeans who saw a mounting crisis in their immediate backyard, a crisis eventually reflected in destabilizing refugee flows into Europe. And all this was taking place at the exact moment that the rising powers were beginning to exert their influence in the global economy, and in multilateral affairs.

## The Global Financial Crisis, and the (Brief) G20 Moment

At first, once again, the 2008 financial crisis seemed like it would deepen the multilateral order. Notwithstanding its role in generating the crisis, Washington led the response,<sup>[vi]</sup> but it did so not by acting unilaterally or even simply by acting through the G7 as it would have done in past decades. Rather, it acted in a way that seemed to herald a broader multilateral moment, calling together not just the Western G7 but instead a wider constellation of economic powers: the G20.

There were four reasons why the move to a G20 arrangement seemed to herald the prospects of broader, sustained cooperation among the world's top powers and a more inclusive yet still cooperative order:

- First, the swiftness with which the United States moved to shift from the G7 to the G20 not within months, but within weeks since the onset of the crisis, the United States realized it needed a wider set of partners to stem the damage.
- Second, the elevation of the mechanism from finance ministers to leaders not only signified the seriousness of the crisis but suggested the possibility of a mechanism whose remit and whose purview went beyond the narrow crisis at hand. This possibility was partially realized in the realm of trade protectionism and sustainable development. It even (briefly and partially) entered the realm of international security—for example, when the Russians used the G20 to negotiate an agreement over the removal of Syria's chemical weapons stockpile in order to avoid threatened American military action. Unfortunately, Western diplomats had not had the sufficient imagination to see the potential of the G20 as an arena to pre-negotiate key international security issues, and so ceded this ground to Moscow, giving Russia a diplomatic boost its general policy did not warrant.
- Third, the seriousness of purpose of the participating states, and the sense of deep shared interests—even if only in the negative sense: i.e., in *avoiding* a depression, and *avoiding* beggar-thy-neighbor trade protectionism. The one would-be spoiler, inevitably, was Russia, who tried to generate support for a move to use the crisis as a way to break the hold of the US dollar as the reserve currency; but they were repudiated—by none other than China.<sup>[†]</sup>
- And fourth, crucially, it worked: liquidity in the global financial system was restored, economic recovery was kick-started, and protectionism avoided, at least for a time.

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<sup>[†]</sup> It has become fashionable to assert that an effort to generate cooperation with China during this period was always naïve. But in point of fact Chinese cooperation in response to the global financial crisis was critical, and closely aligned with the US on policy. That it was China that blocked Russian moves on the USD reserve role is glossed over in this new narrative.

The sense of possibility that accompanied the launch of the G20 Summit was extended by political change in Washington. It was mostly coincidence that this G20 moment corresponded with the arrival in the White House of the most internationally minded US president since Theodore Roosevelt; but it did. And the sense of possibility of strong cooperation not just with old European allies but also with new Asian friends permeated the early years of Obama's foreign policy. He signaled that the G20 wasn't just a crisis response, but rather extolled the G20 as "the preeminent forum" for international economic cooperation, signaling the emerging powers' arrival at global governance's top table.<sup>[vii]</sup> And it wasn't only in financial affairs that this pattern of cooperation existed: Obama took the underlying logic and the summitry approach into an area of his core passion and deep concern for the United States and nuclear proliferation and forged the Nuclear Security Summit, which galvanized international efforts to gain control over the proliferation challenge. Brazil and Turkey, two democratic members of the "rising powers" for a time actually led UNSC-based negotiations on Iran's nuclear program; and while their effort eventually foundered, it helped keep that file anchored in multilateral arrangements, with the P5+1 eventually being the key format for pre-negotiation of a deal that was ultimately ratified by the UN Security Council. Obama brought the United States back to climate diplomacy, brokering a critical climate outcome in Copenhagen and then charging his secretary of state, John Kerry, with working with the French and the Chinese (among others) to lock in what eventually became the Paris Climate Agreement. Along the way, Obama and his team supported the UN's efforts to update the Millennium Development Goals (MDGs) with the new, even more ambitious Sustainable Development Goals (SDGs). Europe, too, updated its diplomacy in line with the "rising powers" and the changing contours of order.

It would, however, be a profound mistake to believe that all was well with the multilateral order during this period, or that the sole cause of the current crisis was the departure of President Obama and the upset election of President Trump.

**THAT THE WORLD WOULD LOOK DIFFERENT NOW HAD HILARY CLINTON BEEN ELECTED INSTEAD OF DONALD TRUMP IS CERTAINLY LIKELY. BUT POWERFUL CHANGES WERE UNDERWAY IN THE REAL DYNAMICS OF INTERNATIONAL SECURITY, THE INTERNATIONAL ECONOMY, AND THE STRUCTURE OF POWER THAT WE WOULD BE GRAPPLING WITH TODAY WITH OR WITHOUT THE TRUMP FACTOR.**



### 3. THE CONTEMPORARY CHALLENGE

We could write a long list of acute contemporary crises and challenges to international security, prosperity, and liberty. For the sake of simplicity, we have grouped them here into four major concerns. The fact is, even while the G20 and other instruments of global cooperation were operating during the Obama administration, the dynamics of conflict were changing, the politics of globalization and trade were changing, the provision of global public goods was stalled, and great-power tensions were rising. All of this was seriously eroding the prospects for multilateral order long before David Cameron launched his referendum on Brexit and Donald Trump launched his election campaign.

#### Changing Patterns of Conflict

Along with progress on poverty reduction, international cooperation to tackle civil wars and mitigate their effects was one of the signature innovations of the multilateral system in the post-Cold War period. Substantial declines in the level and intensity of wars from the mid 1990s to the early late 2000s constitute a key success story in global governance—a partial one, of course, but a meaningful one nonetheless.<sup>[viii]</sup> But neither the UN nor regional organizations fared nearly as well when the dynamics of conflict began to morph in the wake of the Arab Spring uprisings and the counterrevolutionary crackdown that followed, which resulted in an ever-greater fusion between civil wars and terrorist organizations.

Fast forward to the present day, and terrorism and conflict are increasingly interconnected. The numbers tell a stark story: between 2013 and 2017, fully 93 percent of all battle-related deaths occurred in countries in which a terrorist organization (as designated by the UNSC) was operating. This violence is heavily concentrated in the Middle East — which accounted for 70 percent of all battle deaths during the same period. That was particularly challenging given that the region’s strategic resources make it historically resistant to great-power cooperation or multilateral conflict management.

Indeed, the conflict–terrorism fusion has overtaken multilateral peacekeeping efforts. Current international mechanisms are not responding to the expansion of conflict in the Middle East and North Africa. Countries hosting UN peacekeeping operations accounted for only 7 percent of total global conflict deaths between 2013 and 2017, meaning that the vast bulk of conflict is not being met with a multilateral response. Despite the common rhetoric that transnational terrorism poses a shared challenge to most nations, in practice the presence of transnational terrorist groups in civil wars has increasingly hampered UNSC authorizations and member states’ willingness to provide troops to peacekeeping operations. Even with authorization, the forces that have been provided to the UN for these operations mostly lack the capacity to protect themselves and execute their mandates in civil war environments with terrorist groups present. Attempts by other organizations, such as the African

Union, to field peacekeeping missions with UN political and financial support have floundered due to questions of funding and adherence to standards, including on human rights.

**WITHOUT A SERIOUS RETOOLING PROCESS, THE UN WILL REMAIN STYMIED FROM ACTING IN CRITICAL CASES. NOR IS AN EXPANSION OF NATO OUT-OF-AREA OPERATIONS LIKELY IN THE CARDS OR PARTICULARLY DESIRABLE. MUCH VAUNTED REGIONAL OPERATIONS HAVE SHOWN LIMITED CAPACITY.**

*This dynamic should cause us to ask this question: how can we adapt conflict management instruments and arrangements to an era characterized by the fusion of internal war and transnational terrorism—all under conditions of increased geopolitical competition?*

## Globalization Challenged

In the economic realm, the global financial crisis of 2008 was met by the upgrading of the G20 and by fulsome cooperation among most of its members. Globalization continued to expand, both in geographical scope and economic girth. But the early momentum of the G20 began to wane. David Cameron attempted to revive Doha Round negotiations in 2010, but with limited success. This has been described as a failure of the WTO; but that gives the organization more agency than is warranted. In fact, there was a simple reality that underlay the stalled negotiations and slowed momentum: if the West was going to create more room for the emerging powers to grow, it was increasingly going to come at the cost of the Western working class. The win-win logic of expanding trade and increased globalization held true at the level of national GDP, but not at the level of politically salient constituents. Globalization has always had winners and losers, but the winners had more power than the losers; that is, until the global financial crisis rippled through the working-class economies of the United States, Britain, Germany, Spain, Greece, and virtually every other OECD country, and the political balance began to shift.<sup>[ix]</sup>

What's more, important countries in the West were starting to experience real political costs associated with globalization, in the form of the political effects of the hollowing out of low-technology manufacturing (especially in the United States), and rising inequality associated with the financialization of the economy.

This phenomenon was particularly strongly felt in the two leading centers of international finance: the UK and the US. This backdrop makes it less surprising that these two centers also emerged as hubs of political movements organized around pulling back from integration.

The G20 process continued, but with ever-less impact. In the St. Petersburg

meeting in 2013, for example, the leaders were only able to agree to extend their commitment to avoid protectionism for two additional years. Anti-globalization sentiment was mounting in the core of the West. And then, in 2016, the upset result of the Brexit referendum brought to the fore, and then to power, a political movement whose essential platform was oriented to de-integration; and not just anywhere, but in London, which had been central to the design and operation of the post-war system and to post-Cold War liberalization. At the time of drafting this paper, the Brexit story continues to unfold, but at the very least we can say that the result challenged the notion that globalization would be an ever-expanding and ever-deepening process.

That view was challenged, too, by the election of Donald Trump in the United States. His appointment of anti-trade and anti-China scholar Peter Navarro to the National Economic Council—an entity that, in the recent past had been a key bureaucratic driver of expanding liberal economic arrangements—signaled a notable shift in posture and policy. The actual practice of the Trump administration is slightly harder to parse. Notwithstanding a sharply anti-trade rhetoric, in practice it renegotiated, marginally to the US benefit, the US-Korea and US-Canada-Mexico trade deals, rather than walking away from them. More consequentially, though, the launch of the US-China trade war caused many in the US and some in the rest of the West to question the viability of global supply chains that embedded Chinese manufacturing and global shipping flows. What's more, COVID-19 has only reinforced these concerns.

It is important to note that the deepening of anti-globalization perspectives in the United States is not limited to the right wing. The Sanders/Warren movement has taken the traditionally anti-free trade perspective of the labor wing of the Democratic Party and updated it to include a wider critique of contemporary liberalism, crony capitalism, and globalization—three closely intertwined phenomena.

**FROM LEFT, RIGHT, AND EVEN CENTER—AND FAR BEYOND WASHINGTON AND LONDON—THERE ARE NOW GROWING QUESTIONS ABOUT THE MERITS OF CONTINUED RELIANCE ON EXPANSIVE GLOBALIZATION.**

*The political backlash around globalization and inequality should be causing us to ask: can the benefits associated with widespread globalization—including substantial poverty reduction and employment gains (including in the West, albeit unevenly distributed)—be preserved while the associated negative externalities and inequalities are substantially reduced?*

## Global Public Goods in Doubt

Though less attention was paid to the issue at the time, there were during recent years also important reversals in the international capacity to provide

global public goods. Cooperation against transnational terrorism began to falter; cooperation on poverty reduction slowed; and the Doha Round stalled. Climate negotiations continued, but unsatisfactorily.

The COVID-19 pandemic provides us with an early example of the consequences. It was during this phase of increased disputation between the established and "rising" powers that the WHO's capacity for monitoring infectious diseases was weakened. That capacity had been built up in the WHO in the late 1990s, under the leadership of Norway's Gro Harlem Brundtland (and with strong support from the West, led by Canada), after the scare of the avian flu in 1997. In the wake of the SARS outbreak in 2004 and 2005, intense negotiations in the World Health Assembly (WHA) ultimately came down to a US-China showdown (perhaps the first example of a G2 interaction); a late-night agreement between the two lay the stage for the adoption of the far-reaching International Health Regulations of 2005, with their expansive provisions for infectious disease monitoring by national authorities. At the WHO, the Global Outbreak Alert and Response Network was deepened and further resourced. But then, having lost a lot of ground in the WHA in 2005, China moved to regain its influence by successfully running Margaret Chen for the Director-General role. Inside the WHO, Chen refocused the organization on basic public health and away from infectious disease, systematically weakening the infectious disease monitoring capacity. When West Africa was hit with a major outbreak of Ebola in 2014, a weakened WHO was unable to mount an adequate response or mobilize collective efforts to that end.

The political effects of the global financial crisis continued to weaken the provision of public goods elsewhere. The emergence of ISIS in Syria and Iraq was met by internecine squabbling among the leading powers and repeated blockage in the Security Council. And in the 2017 Ministerial Conference of the WTO in Buenos Aires, India flexed its growing economic and diplomatic muscles and brought that negotiation round firmly to a halt.

There were two important exceptions. In 2015, a consensus was finally reached on a genuine global agreement on climate change (albeit one that involved states making commitments they had no credible industrial pathway to fulfill.). If well understood and applied, this could set the tone for national policies that would address some of the demands of citizens in most countries and could bring opportunities for creative cooperation, especially at the sub-state level. Also in 2015, the United Nations adopted the Sustainable Development Goals—a set of far-reaching targets for climate-friendly growth that encompassed not just the developing but also the developed world.

It's arguably in this area of global public goods that the contemporary anti-multilateralism is most damaging.<sup>[x]</sup> For example, the US decision to withdraw the United States from the Paris Climate Agreement dramatically weakens that regime, even as state and city administrators and many American businesses have attempted to preserve progress on carbon reduction in the face of mounting evidence of the near- and long-term costs in terms of fire, flood,



and drought. In addition, the mind-boggling decision to walk away from the WHO amidst the coronavirus pandemic weakened a key institution at a vital junction. Should the politics of withdrawalism continue in the United States, it will be very hard to organize the provision of global public goods. Still, some parts of a global public-goods response can be carried out by others—notably by middle powers, both of the West and the global South. The question we are faced with is:

*How can we reinvigorate international cooperation on global public goods (health, climate, finance)? Or, what is the most potent, viable coalition that can be assembled to protect and preserve the instruments of the provision of global public goods from both the forces of authoritarianism and from the politics of nationalist isolationism?*

## Geopolitical Tensions Rising

**THE MANAGEMENT OF CONFLICT, EFFORTS TO ADAPT GLOBALIZATION, AND THE PROVISION OF RELIABLE GLOBAL PUBLIC GOODS—THOSE SHOULD BE THE CORE GOALS OF THE MODERN MULTILATERAL SYSTEM. EVERY ONE OF THEM IS MADE MORE COMPLICATED BY THE FOURTH CHALLENGE: THE EROSION OF RELATIONS BETWEEN THE WORLD’S BIGGEST PLAYERS.**

The rise in geopolitical tensions during the past decade not only complicates every facet of the multilateral order; it also constitutes a major challenge in its own right—for the first time in nearly four decades, we face the serious prospect of serious military hostilities between the world’s major military powers.

Mounting geopolitical tensions *shouldn’t* complicate efforts to manage global public goods—but they have. That’s been true in climate change, as when the Bush administration withdrew from the Kyoto Protocol based on the fact that the agreement didn’t constrain Chinese emissions; in the collapse of multilateral trade negotiations; and as we are currently witnessing in the vitriolic—and hopelessly futile—diplomatic blamesmanship between Washington and Beijing over COVID-19. If current sentiments solidify into a sense that China and the United States are not merely competitors but are actually ideological rivals, it will become increasingly complicated to manage cooperation on global public goods.

In an ideal world, mounting geopolitical tension also wouldn’t complicate the humanitarian response to civil wars and transnational terrorism; but it has. The reality is that these wars, especially in the Middle East, are no longer driving cooperation, but instead have increasingly returned to being domains of proxy competition. Tremendous innovation in the mandates and operations of peacekeeping and post-conflict stabilization missions marked the post-Cold War era. Today, competition threatens that progress. A conflict’s geostrategic

significance defines states' willingness to cooperate as civil wars revert to being zones of competition — at high human cost. Russia and key regional powers have turned Syria into a brutal killing ground, while the United States and the Western powers have eschewed a broader mitigation role, keeping their focus narrowly on counterterrorism. (China has so far kept its powder dry in these dynamics, other than providing diplomatic backing to Russia in the UNSC.) Sub-Saharan Africa has so far been partially protected from these forces, but proxy dynamics have already infected conflicts such as the ones in Venezuela and Ukraine, risking a quarter century of relative peace in critical regions. And proxy dynamics—with regional powers as well as geopolitical powers—have substantially worsened the security dynamic in the Middle East and have spilled into North Africa (Libya) and the Horn of Africa/Red Sea.

But geopolitical tensions are not limited to proxy theatres—they increasingly portend direct military conflict between the powers themselves. Key markers of the deterioration in relations between the comity of the first G20 rounds and today's tensions include: Russia's invasion and annexation of Crimea; US–UK dithering over Syria and Russia's decision to deploy forces there (reinstating its military power in the Middle East for the first time since the fall of the Berlin Wall); China's decision to militarize reclaimed island features in the South China Sea, despite repeated promises not to do so, and more broadly to expand its coercive posture in the Western Pacific; the United States' support for Saudi Arabia's war in Yemen; and the United States' unilateral withdrawal from the P5+1-brokered agreements on Iran as well as its related threat to impose secondary sanctions even on close US allies.

## Weighing Up the Challenges

Different analysts would reach different conclusions about which challenge is most acute. Some see the most serious risk of flare-up from Putin's Russia—which has far less to lose than China in any global economic turndown resulting from crisis, and much to gain if such crises push up oil and gas prices. Certainly, Russian bullying tactics in northern Europe, its interference in democratic processes in Europe and the United States, and its reintroduction of its forces into the Middle East have brought us closest to moments of steel-on-steel confrontation between the world's top military powers. On the other hand, Russia is an economic welterweight, has few meaningful allies in the international system, and its diplomatic clout is a shadow of its former self. That it wields a veto in the UNSC is an unfortunate relic of its earlier prowess, and one that does more to diminish other powers' interest in the UN than it does to generate respect for Russian power. Only its sales of energy and advanced weaponry give it leverage in the international system, most of which is of the negative variety.

Of course, it is also essential to highlight the shift in domains of warfare from the military to the political, economic, and the technological. Russian has made very effective use of the weaknesses inherent in the West's open-access

institutions, wide access to technology, and growing use of social media in order to break down quality filters on information. This has given Moscow a jujitsu-like ability to use the weight of its opponent against itself. However, nor has Moscow shied away from traditional military measures—expanding submarine patrols into the North Atlantic from its northern bases, making aggressive use of submarine and air force movements in the Baltic, and even going so far as to threaten smaller European capitals with renewed nuclear pressure should they join NATO or further align with its operations.

China is a different kind of challenge. It is now the clear number two defense spender in the world, and even if there are niche areas (like submarines) where Russian military technology is superior to China's, Beijing has done far more than Moscow to build a system of interoperable, technologically sophisticated systems of weaponry, command and control, and information management.<sup>[xi]</sup> The modernization and expansion of Chinese military power over the past decade have already made it a serious peer competitor to the United States in the Western Pacific, and ultimately pose a far more serious challenge to American military preeminence than anything contemporary Russia can conceive of. But China is also hugely more consequential for the global economy, for information technology, for energy markets, and for climate diplomacy, creating a serious problem for American grand strategy and serious tensions in the American-led alliance system.

China has taken a less brazen but arguably more consequential approach to the non-military domain of competition, by steadily increasing its influence in those areas of life that shape the economic and political fate of developing nations. Its spending and debt negotiations through bilateral instruments like the Belt and Road Initiative are widely commented on; less well appreciated is the way that this links up to its new efforts to penetrate multilateral institutions. Organizations like the ITU (International Telecommunications Union), UNIDO (the UN Industrial Development Organization), FAO (the Food and Agricultural Organization) and WIPO (the World Intellectual Property Organization) may be obscure to most American analysts and policymakers; but they constitute the legal underpinnings of globalization.<sup>[xii]</sup>

**EVEN AMERICAN OBSERVERS, OFTEN RATHER BLIND TO THE DYNAMICS WITHIN OBSCURE MULTILATERAL INSTITUTIONS, HAVE WATCHED CHINA'S GROWING PROWESS WITH ALARM AND WOKE UP IN TIME TO FORESTALL A CHINESE BID FOR THE LEADERSHIP OF WIPO. (THAT MANY OF THESE SAME AMERICANS DOWNPLAY THE VALUE OF MULTILATERALISM ITSELF IS A POINT OF CONFUSION WE WILL NOT SETTLE HERE.)**

Hugely complicating all of this is that the American reaction to growing Chinese influence and Russian adventurism has not been to solidify cooperation with its allies, bolster its diplomacy in key multilateral arenas, and align its bilateral pressure with multilateral action, but rather the opposite. It is true that in the

first two years of the Trump administration, its unilateral bark was worse than its multilateral bite (for example, the US increased its troop presence in Europe under NATO), and its aversion to multilateral deals has not always been the same thing as withdrawalism. But the political impact on the multilateral order has been cumulating.

**IN SUM, THE GEOPOLITICAL CHALLENGE EXISTS ON THREE LEVELS: IT IS A DIRECT THREAT TO INTERNATIONAL PEACE AND SECURITY IN ITS OWN RIGHT; IT IS A CHALLENGE TO THE LIBERAL BASIS OF THE MULTILATERAL SYSTEM; AND IT COMPLICATES EFFORTS TO SOLVE THE OTHER PROBLEMS ENUMERATED ABOVE.**

*Thus, it should cause us to ask three further questions:*

- *How can we build effective "guardrails" against great-power confrontation? What type of middle-power diplomacy can help? Can we envisage new regional arrangements for crisis de-escalation or mitigation? Can we revive older understandings of the UN as an instrument that the major powers themselves, and the shaping powers around them, could use to manage their own relationships and allow diplomacy and conflict management to restrain escalation?*
- *How can key liberal values that have been advanced by the multilateral system be protected in an era of increased Russian assertiveness and expanded Chinese influence within the multilateral system?*
- *What are the feasible coalitions for action needed to tackle the challenges of conflict, globalization, and transnational threats, in the absence of great-power unity?*



#### 4. PATHWAYS AHEAD: OPTIONS FOR POLICY

All of the aforementioned tensions existed even before COVID-19 thrust the world into a pandemic: a global health crisis, an economic crisis, and a social crisis which will inevitably sap the energies and preoccupy the policies of most states for years to come. Some have argued that COVID-19 is the kind of crisis that will overturn settled patterns in international affairs. More likely, we believe, it will intensify preexisting patterns, mostly for the worse. We will eventually emerge from the crisis weaker, more divided, more conflict-ridden, more skeptical of globalization, and facing a more difficult geopolitical landscape. A silver lining—that we are more acutely aware of our exposure to natural, transborder threats—is just that: a silver lining amidst a very cloudy landscape.

**THE BASELINE REALITY THAT EMERGES FROM ALL OF THIS IS TWO-FOLD: THAT THE MULTILATERAL ORDER IS IN SERIOUS PERIL; AND THAT MULTILATERAL INSTITUTIONS THEMSELVES ARE NOW AN IMPORTANT AREA OF RIVALRY. IN THE MOST BENIGN YEARS OF THE POST-COLD WAR ERA, THE MULTILATERAL ORDER WAS MORE THAN THAT, BETTER THAN THAT: IT WAS THE INSTRUMENT OF GENUINE COOPERATION BETWEEN THE WEST, THE REEMERGED ASIAN POWERS, AND THE REST OF THE WORLD. BUT WITH A LACK OF BOTH FUNDAMENTAL CHANGE IN STRATEGY FROM BEIJING AND WASHINGTON AS WELL AS SERIOUS AND SUSTAINED CREATIVITY FROM THE KEY WESTERN CAPITALS AND TOKYO AND NEW DELHI,[‡] IT IS HIGHLY UNLIKELY THAT WE WILL RETURN TO SUCH POLITICS.**

Of course, the outcome of the United States election in November 2020 will shape these dynamics in important ways. A Trump reelection would solidify concerns among the United States' European allies and security partners that the system of American leadership on which they have counted is no longer reliable (though some in Asia and the Middle East will look more favorably on that outcome); whereas a Biden victory would give European allies hope for a revival of traditional transatlantic patterns of cooperation. A Trump reelection would almost certainly result in even more aggressive withdrawalist tactics and a further weakening of the multilateral system; a Biden White House would move quickly to halt the clock on the US withdrawal from the WHO and the IPCC/Paris, and to renew a sense of American leadership of the system.

[‡] Somewhat uniquely, New Delhi wears a double mask in international affairs. By dint of size and geography, it plays in the 'game of great power relations; by dint of history, ideology and relative power, its posture is that of a multilateralist actor. To date, it has been able to convert this combination into blocking power—in the Copenhagen climate negotiations, in the Argentina round of the WTO—but not yet into constructive power. Yet it is hard to conceive of a serious, sustained process of re-invigorating multilateral order that does not see New Delhi playing a key role.

Nonetheless, it would be foolhardy to believe that even under a Biden presidency geopolitical competition would recede. The more likely reality is that Biden's foreign policy would sustain the dynamic of American competition with China, perhaps even take a more ideological turn (albeit a less chaotic one.) It also remains to be seen whether a meaningful concept of multilateralism would inform Biden's foreign policy. To be sure, a Biden presidency would return the United States to active diplomacy within the key existing institutions; less of a certainty is whether the key architects of his foreign policy would see the merit in a deeper reconceptualization and rejuvenation of multilateralism for the contemporary challenges, or whether a Biden presidency would drive new multilateral arrangements in challenging new areas like tax coordination and technological standards. A Biden presidency would almost certainly place greater emphasis on cooperation among democracies—an approach with merit but not without potential tensions.

Thus, we argue, the dynamics of “competitive multilateralism” constitute the *best-case* scenario ahead of us: a competitive struggle over the policy and character of the multilateral order.<sup>[xiii]</sup> There are far worse potential scenarios, to be sure; these include a full-blown breakdown in great-power military restraint, a full-scale breakdown in the provision of global public goods, and a full-blooded return to proxy warfare.

**WHAT IS NOT A CREDIBLE SCENARIO IS A RETURN TO THE COOPERATION AND COMITY OF THE POST-COLD WAR ERA AND THE G20. EFFECTIVE POLICY AIMED AT THE REJUVENATION OF THE MULTILATERAL ORDER SHOULD NOT BE PREMISED ON A FALSE HOPE OF A RETURN TO THE GOLDEN AGE OF MULTILATERALISM BUT SHOULD INSTEAD TAKE THE DYNAMIC OF MAJOR POWER RIVALRY AS ITS PREMISE.**

This panorama requires us to insist, first of all, on the need to eschew romantic conceptions of multilateral institutions as somehow absent from the dynamics of interstate power competition; and second of all, to move away from consensus mechanisms in the effort to forge and protect global public goods.

**IN A WORLD WHOSE CORE POLITICAL DYNAMIC IS COMPETITIVE RIVALRY, CONSENSUS IS A TOOL FOR OBSTRUCTION. THUS, ANY PATHWAY FORWARD MUST START WITH A COALITION OF ACTORS WHO SHARE CORE VALUES AND CORE CONCERNS.**

We see three essential variants on this:

*A coalition of democratic states to advance the liberal agenda:* to work within key international institutions to protect the liberal agenda within them and create some space to protect core liberal values, to halt the reversal, and also

to work on adjustments to an economic liberalism that is more consistent with addressing inequality. Ideally, the United States will return to a posture in which it could champion such efforts.

*A network of middle powers to protect key multilateral institutions:* to work across key crises (like Iran) and key files (like trade) to "hold the floor" on the key frameworks for cooperation, and create costs for the top powers should they be tempted to more fully walk away from multilateral frameworks. The Franco-German Alliance for Multilateralism is an important step in this direction; but we also see both the scope and need for additional efforts, especially ones that bring key Asian and European middle powers together in a shared, ambitious agenda.

*Quiet diplomacy and policy innovation by major and middle powers to develop guardrails against great-power conflict:* as has sometimes been the case in the past, diplomatic agreements to avoid outright conflict can be quietly shepherded by middle powers with a history of quiet diplomacy. This could also involve some innovations in monitoring arrangements, including in arms control, especially in North Asia and the Western Pacific and particularly in the naval domain—the new frontline in geopolitical tensions.

We also see an essential intellectual and policy agenda, in two parts: in new efforts to organize cooperation on global public goods under conditions of rivalry; and in new efforts to reimagine a more resilient but also more equitable globalization—an effort that will also require a deep analysis of controversial issues like efforts to combat corruption and illegal flows.

In a follow up to this paper, we will spell out in more detail the nature of the challenge in each of these five lines of effort; suggest initial lines of attack; and identify potential champions who might lead policy efforts in each.

## 5. FINAL THOUGHTS

We began exploring the themes reflected in this essay before the outbreak of COVID-19. We wrote the paper at the beginning of the end of the COVID-19 crisis for the well-managed states of the North, and what is merely round one of the crises for many other regions. The economic, political, and social effects of the crisis remain to be calculated but will doubtlessly be severe and will sap energy from ambitious foreign policy goals. But this crisis should also forcibly remind us of the peril involved in allowing frameworks for multilateral cooperation to wither, let alone collapse.

A renewal of efforts to improve—in some cases, dramatically improve—the capacity of multilateral arrangements to tackle some of the challenges that confront us would be welcome; indeed, it is desperately needed. But it will fail unless those who would champion such an effort enter into it clear-eyed about three realities:

- That the West no longer enjoys the option of dominating the multilateral order and shaping it to its policy without a willingness to absorb substantial diplomatic and economic costs.
- That the much-needed effort to protect the liberal basis of the multilateral order has to be seen as part of a wider competition with powerful states like China that eschew those values. We have to see the multilateral domain as a zone of competition before cooperation can ensue. And we have to be willing to acknowledge that, in the economic realm, narrowly conceived liberalism (the Washington Consensus and its variants) have proved inept at protecting populations from the wider consequences of intensified globalization.
- That the risk of military conflict between the great powers and of the breakdown of globalization overshadows the whole situation and must also be a focus of diplomatic effort and intellectual innovation.

As hard as the challenge that lies ahead is, we remind our readers of two essential points. First, that the multilateral order has frequently evolved in the face of changing dynamics. The conventional view that multilateral arrangements are static and unyielding is wholly ahistorical. And second, that there is still great economic, political, military, institutional, human, technological, and moral strength in the liberal world—international liberalism and the political West are bloodied but not broken. If the latter bends its will to the rejuvenation of the former, we may still live in a reasonably peaceful and progressive world.

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