



Multilateralism

The Future of Multilateralism

The Liberal Order under Pressure

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The multilateral world order is in deep crisis; indeed, some believe it has reached its end. This belief is based on a number of changes in the political West and power shifts in the international system. What does this mean for the future of multilateralism as we know it? This article addresses this question by examining three trends for future multilateral cooperation.

The Crisis of Multilateralism Is on Everyone's Lips

Are we witnessing the end of the multilateral system? There is growing concern about the fate of this historically reliable system, which was built after the Second World War under US leadership. As a globally connected middle power, Germany has been a major beneficiary of this system. For some years, the erosion of international treaties and regulations – and hence of cooperation at the global level – has been accelerating. The Trump administration has pulled the US out of numerous international agreements, including the Intermediate-Range Nuclear Forces Treaty (INF) and the Paris Climate Agreement. In tandem, China is expanding its global influence – also with regard to multilateral institutions. Breaches of international law, especially by Moscow and Beijing, are on the rise, along with increased protectionism and isolationism.

Provisional conclusions about multilateralism are equally sobering in light of the COVID-19 pandemic. It was nation states, not international organisations, that were the key players in managing the crisis during the critical days of the pandemic. The World Health Organization (WHO) failed, the UN Security Council was silent, and the EU's member states let each other down.¹ It is true that the EU and multilateral institutions have now, at least to some extent, regained their agency, but when the pandemic first arrived in Europe the member states responded by closing their borders and halting exports, and it took long before the UN Security Council made any significant statement about

“the worst crisis since World War II”. It was in July 2020 when the Security Council managed to pass a resolution after a tough battle. What remains of multilateralism if a transnational problem of global proportions, that cannot be tackled in isolation, actually pushes countries apart rather than bringing them together?

Nevertheless, it is premature to announce the end of the multilateral world order. What is obvious, however, is that the international order is in the throes of a profound change that is putting significant pressure on rules-based multilateralism. The COVID-19 pandemic and its unprecedented impact on the international community both reinforces and accelerates this change.

Why Is Multilateralism in Crisis?

Firstly, the crisis of multilateralism is due to changes in the international system, a new multipolarity, and global power shifts. New centres of power are emerging alongside the political West. They are claiming the right to have a stronger regional or even global influence. The most prominent example of this is China with its efforts to be a global leader that plays by its own rules.² To some extent, this is a reaction to the multilateral order and its institutions, which have always been Western in character. We are experiencing a clash between liberal democratic and autocratic positions – with regard to political, social and economic models. Views also differ on the design of the international order. Our familiar view of the world is changing drastically as the United States gradually withdraws from its leadership role on political, economic and moral

issues. Meanwhile, China is trying to fill the vacuum left by the US. The People's Republic is also working doggedly to establish and expand a Chinese form of multilateralism based on its own principles and institutions.

The crisis of multilateralism is also due to the rise of illiberal forces that are hostile towards multilateralism, and the rise of anti-globalisation sentiments. Previous crises – such as the global financial crisis of 2008/09, leading on to the European debt crisis and the introduction of painful austerity programmes – fuelled the flames of anti-globalisation movements and nationalism. These challenges had barely been overcome when the refugee crisis came along in 2015, sparking the subsequent debate about asylum and migration. On top of this comes the realisation that globalisation has produced many losers – also in the West. Whether vague or clearly articulated, anti-globalisation sentiments are growing. As a symbol of globalisation, multilateralism is thus an easy target.

A Definition of Multilateralism

It's unusual to hear a speech on German foreign policy that doesn't include the word "multilateralism". Despite this, there is a great deal of ignorance and different ideas about what it means.³

First of all, it can be defined as a form of international cooperation that involves coordinating national policies in groups of three or more states. This is the definition provided by Robert O. Keohane in 1990. In 1993, the scholar in political science John Ruggie described another element of multilateral cooperation when defining that it is based on certain rules and recognised principles.⁴ For many years these rules went largely unchallenged. These Western, liberal rules were enshrined in the Charter of the United Nations and related to the establishment and protection of liberal democracies, free trade and the supremacy of the law. The network of norms, principles and institutions that has been enforced almost worldwide since 1990 is what we call the multilateral, liberal order.

Thus, when we speak of multilateralism, we are not merely talking about cooperation between several states, but also about the fact that this cooperation is based on common rules and norms, and is directed towards a particular goal, such as the establishment or maintenance of peace and security, or environmental protection. Multilateral cooperation may be institutionalised – as in the UN system – but it can also be more informal.

The Importance of the Multilateral Order for German Foreign Policy

In addition to the pressure on liberal norms and principles, multilateral cooperation *per se* and the institutions at the heart of this order are increasingly being questioned. The reason for this is the declining ability of various multilateral formats to act, particularly the UN Security Council, and the undermining or infiltration of international institutions by authoritarian states. For example, in Brussels in 2018, US Secretary of State Mike Pompeo stated: "Multilateralism has become viewed as an end unto itself. [...] International bodies must help facilitate cooperation that bolsters the security and values of the free world, or they must be reformed or eliminated."⁵

Multilateral institutions have to be judged by their results. We need to reflect on how to make multilateralism more effective.

Firstly, it is important to have realistic expectations of multilateral processes – after all, the nature of cooperation between several states always involves compromising on differing – often conflicting – interests and extremely complex problems. However, this does not detract from the fact that multilateral institutions have to be judged by their results, and we need to reflect on how to make multilateralism more effective. Potential reforms to international

organisations and cooperation should be based on studies that identify areas and processes where reform is needed to increase their agency. For example, reports and results provided by the Multilateral Organisations Performance Assessment Network (MOPAN) can be used to evaluate the performance of multilateral institutions. Coalitions and alliances with a common goal, which are within the United Nations system, such as the Alliance for Multilateralism, may also provide fresh impetus in this respect. If no progress is being made within the UN system, it should also not be taboo to occasionally remove issues from the UN framework and deal with them under strict conditions in multilateral coalitions. This particularly applies to important but contentious issues, such as those relating to entrenched conflicts, or the environment and climate change. It is in Germany's national interest to uphold and strengthen the liberal, multilateral order – including by means of reforms. More than most other countries, Germany as a globally connected middle power has adapted to this order and reaped the benefits of an international security system, free trade, and access to markets as prescribed by liberal rules and norms, that are implemented and guaranteed by institutions such as NATO, the EU, the UN, and the WTO. Our way of life is based on this order: our liberal democracy; our prosperity as an export-oriented nation; and the functioning of our foreign policy with its cornerstones of transatlantic security guarantees, European integration and the United Nations system.⁶ Moreover, Germany's history means it has a special responsibility for the international order that was established after 1945.

Three Trends for the Future of Multilateralism

What will multilateralism and international cooperation look like in future? Which forms of cooperation will prevail? Who will determine the rules of global cooperation? This article looks at three trends that are already influencing the international system and considers how they will change multilateralism over the next five years.



1. Growing Rivalry between Major Powers and Competitive Multilateralism

The strategic rivalry between China and the US has been a key paradigm of the international order for many years. Few areas remain untouched, as it impacts trade, security and multilateral cooperation, along with many conflict situations and world regions.⁷ For example, in 2017 the USA's security strategy reports said the key challenge was the strategic rivalry with China, replacing the fight against international terrorism.



Mood of crisis? The multilateral order is under pressure. Source: © Leah Millis, Reuters.

This rivalry also plays out in multilateral fora and in some cases brings international cooperation to a standstill. The most recent example of this was the impasse in the UN Security Council on the COVID-19 pandemic, which led to a binding resolution being deadlocked for several months.⁸ The US withdrawal from the allegedly China-centric WHO is another example of how multilateral institutions are being weakened by rivalries between the great powers.

While the US under the Trump administration is withdrawing from certain multilateral

institutions and agreements in favour of bilateral deal-making, Beijing is taking every opportunity to present itself as a committed multilateralist.⁹ The US' waning commitment to multilateralism, coupled with a loss of effectiveness in multilateral fora, has enabled China to expand its influence in order to push its own agenda in the long term. China is asserting its interests through an ambitious, comprehensive, regional and global foreign policy strategy. By 2050, China aims to be a global power that leads and shapes international politics.¹⁰ Beijing has been expanding its influence in international

organisations for many years, particularly within the UN system: from the United Nations Economic and Social Council (ECOSOC) to the United Nations Industrial Development Organisation (UNIDO) and the International Telecommunication Union (ITU).

There is no denying that China's desire for leadership is justified in terms of its socio-economic weight. However, the People's Republic is trying to bring its own ideas into these organisations,

some of which run counter to liberal norms and, therefore, undermine the organisations' work. An example of this is the UN Human Rights Council. Although China recognises that human rights are universal, it does not respect individual freedoms – but rather that they are subordinate to the greater good on the basis of economic development and participation. As a result, Beijing refuses to accept the universal auditing standard and views country-specific monitoring as a violation of its sovereignty. When it comes



On its way to global leadership: China is taking every opportunity to present itself as a committed multilateralist, but favours uni- or bilateral deal-making in its foreign policy. [Source: © David Gray, Reuters.](#)

to protecting ethnic minorities and the persecution of political dissidents, a major gap in China's understanding of these norms, compared to the West, reveals itself.

Beijing exploits the COVID-19 crisis in the service of its own strategic power games.

Alongside its efforts to expand its influence in existing institutions, Beijing is also pursuing competitive multilateralism and establishing its own, parallel institutions. These consist of competing organisations or informal alliances and fora that challenge or undermine the Western-dominated institutions and their order. A shining example of this is the Asian Development and Infrastructure Bank (AIIB), which was set up to play a key role in multilateral development cooperation. 18 EU member states have joined the AIIB since 2014. This has boosted the organisation's international credibility and given Beijing greater confidence to establish rival institutions. The Belt and Road Initiative (BRI), co-financed by the AIIB, is an illustration of China's desire to build a rival political and economic order worldwide. The BRI aims to consolidate China's influence through economic investment in infrastructure projects – initially through bilateral routes – in order to create economic dependence and advance Beijing's policy of connectivity. The initiative is constantly expanding its geographical scope – from the EU to Latin America and the Arctic. Security considerations are part of this vision, underlining the fact that the BRI serves as a strategic instrument of foreign policy. Beijing's multilateral ambitions benefit from these bilateral agreements, as the AIIB is involved in financing some of these projects, partly with Western capital. Other institutions that reflect this desire to restructure and appropriate the multilateral system include the Shanghai Cooperation Organisation (1996), the Boao Forum for Asia (2001), and informal platforms for dialogue such as the 16+1 format involving the countries of Central and Eastern Europe.

No End in Sight!

Western-style multilateralism is increasingly being called into question. At a time of systemic competition, it is inevitable that the multilateral order will change. The tensions between major powers will result in deadlocks and diminish multilateral cooperation. This means that international institutions can only deliver weak results, or none at all, and their significance will thus decline. In view of the rise of China and the continuation of its expansionist policies, it is likely the rivalry between Beijing and Washington will only increase. Beijing continues to take aggressive action in the South China Sea and has also passed a controversial “security law” for Hong Kong that severely restricts the autonomy of this special administrative region.

The US' scepticism towards China is based on a broad non-partisan consensus. Looking ahead to the upcoming presidential elections, it can be assumed that a new administration will continue on the current course.

However, strategic rivalries between the US and China alone are not causing multilateral institutions to lose significance. They are also being weakened by the two nations' policies towards these institutions. While a different US administration would probably restore the country's desire to take the lead on global problems and return to multilateral cooperation, four years of President Trump cannot simply be erased. Moreover, even before Trump came to power, the United States had already made it clear that it wanted to bear less of the political and financial burden of guaranteeing the multilateral order. It seems unlikely that this will change in light of the disastrous domestic consequences of the COVID-19 pandemic.

For the EU, the challenge of continuing to assert itself as an active player amidst these geopolitical tensions is immense, but this is essential if it does not want to be a mere football for other powers to kick around. The values- and rules-based order stands in contrast to the autocratic model, whose basic principles differ greatly

from the liberal understanding of democracy, protection of human rights and the rule of law. Despite this, it is important to continue integrating China into a rules-based world order. Indeed, the pandemic and its effects have highlighted the impact that China's opaque and authoritarian system can have on the international community. Beijing's initial handling of the pandemic and its subsequent narrative show how the government is exploiting the crisis at the global level in the service of its own strategic power games and how – as so often happens – it likes to exert economic pressure on its critics. When the Australian government requested an investigation on China's handling of the outbreak, China responded with higher import tariffs. The global consequences since the beginning of the pandemic make it essential for the international community to demand greater transparency from China.

A sense of disillusionment with established parties, the EU, and international institutions in general has fuelled the rise of populist parties.

2. Deglobalisation and Renationalisation: What Are Their Implications for Multilateralism?

Another growing threat to multilateralism is the rise/return of authoritarian, nationalist and populist politicians and parties and their attitude towards globalisation. The pressure on governments and supply chains caused by the coronavirus pandemic has exposed enormous weaknesses in global connectivity and in the internationally networked economic model. For decades, globalisation has helped to boost trade and growth in the world economy and significantly reduced poverty all over the world. Yet at the same time it has led many countries to experience even greater inequality. People's expectations of politicians



and governments have often grown faster than the ability of the latter to respond. A sense of disillusionment with established parties, the EU, and international institutions in general has fuelled the rise of populist parties.

However, deglobalisation and renationalisation are phenomena that are not restricted to the incumbent US president. Similar unilateral



Globalisation under criticism: The current health crisis could also serve to drive inversion and the partial relocation of economic production. Source: © Toby Melville, Reuters.

and populist tendencies are also embodied by Brazil's President Bolsonaro (e.g. Brazil's withdrawal from the UN migration pact) or – with a dual approach – Turkey's President Erdoğan, who is pursuing a strategy of cherry-picking, particularly with regard to the EU. He wants financial incentives for sharing the burden of taking in Syrian refugees and upgrading

the customs union, yet he rejects the EU's demands for greater democracy and freedom in Turkey.

Many EU member states have seen the rise of populist parties over the years (such as the Front National in France, Alternative für Deutschland in Germany and the Party for Freedom in the

Netherlands). The crises that have beset Europe since 2008 have helped them to build their support. This growing rejection of the European idea, the rule of law and the democratic principles that form the basis of the European project can be seen in the attacks on the justice system in Poland and in Hungary's gagging of civil society and the press.

In democracies, the current health crisis could also serve to drive inversion and the partial relocalisation of economic production. The deglobalisation of the manufacture of medical goods, which has been purely rhetorical in nature to this point, could now actually happen and extend to other areas that governments view as part of their country's critical infrastructure. This trend has already been observed in the battle for 5G market shares and the question to what extent European countries are allowing China access to their critical infrastructure. Governments may seek to anticipate and thus avoid the impact of distant production sites and supply chain disruptions in times of crisis. These approaches are illustrated by France and Germany's announcements that they will be repatriating the production of masks and ventilators within the next year. Globally active companies are also considering how they can protect their operations against the threat of sanctions, border closures and the loss of distant suppliers.

Outlook: The Potential Damage of Deglobalisation

This kind of deglobalisation or partial repatriation would primarily lead to frustration in the manufacturing countries that have been the "winners" of globalisation (such as China and India). In the short-to-medium term, repatriation will apply to the production of goods deemed critical during the pandemic. As an integrated trading area, the EU will not turn its back on global trade, but it is likely to make a critical assessment of global trade and supply chains and proceed with greater circumspection. However, no one in Europe will allow the collapse of a global system that is also greatly beneficial to Germany and the EU; there would be too much concern about the loss of economic

power. In view of the current fragility of global relations, both a trade war and increased security tensions between the US and China would place a considerable burden on the international community.

3. New Forms of International Cooperation

For many years, we have been observing the emergence of new types of international cooperation alongside the established forms of institutionalised multilateralism. These include temporary partnerships, informal cooperation and coordination mechanisms, such as the G7 and G20 (also known as club governance), as well as alliances geared towards a common goal, such as the Alliance for Multilateralism. The importance of non-state actors such as private foundations, businesses, non-governmental organisations, the media, and transnational networks in international politics is also increasing. Additionally, cities or sub-state entities such as some US states, are also intervening in areas of international politics such as climate change.

When tackling global challenges, the need to involve all stakeholders has become widely accepted.

The best-known forms of club governance are the G7 and G20, which consist of the world's most powerful and economically advanced countries and are based on intergovernmental coordination in specific policy areas. Other loose alliances are the BRICS states and a potential middle power coalition consisting of countries such as Japan, Australia, and India, which are keen to band together to counter China's increasing power in the Indo-Pacific region.¹¹ Another example of new forms of international cooperation is the Alliance for Multilateralism, a loose network launched by Germany and France in 2019, to which Canada, Japan and Mexico, for instance, have now joined. The aim is to

strengthen and maintain multilateralism and international organisations. Although the idea of such an initiative is laudable, the Alliance's working methods remain rather unclear. Apart from making progress on controlling autonomous weapons systems, it has yet to produce tangible results.

Non-state actors have been gaining influence over the years and are increasingly involved in international cooperation. In the health sector, examples include the influential Bill & Melinda Gates Foundation, the Wellcome Trust in the UK, and the Coalition for Epidemic Preparedness Innovations (CEPI), an alliance of governments and private stakeholders that supports the development of vaccines and works to prevent and contain future epidemics. When tackling global challenges, the need to involve all stakeholders has become widely accepted. Many institutions have responded with appropriate formats for cooperation. In the UN Security Council, non-state actors are consulted and involved via the informal Arria formula.

New Forms of Cooperation as an Opportunity for Multilateralism

It is likely that informal vectors of international cooperation – in contrast or in addition to formal international institutions – will continue to appear more frequently in future. In view of existing institutions' inability to adapt and declining agency, states are likely to continue forming new alliances and groups in order to advance their interests. Under certain conditions, these new forms of cooperation can be a positive development for the existing multilateral order. Namely, if they are not established as rivals to – but instead designed to increase the effectiveness of – existing institutions, or if they are consistent with the underlying norms and rules and do not undermine them. Therefore, the Alliance for Multilateralism should not be seen as a competitor to the UN, but as a coalition for preserving and strengthening it within the existing system. It is also important to address the question of legitimacy with regard to the growing influence of non-state actors in

international politics. However, the COVID-19 pandemic has highlighted the important contribution made by private and civil society actors in handling these crises, so they deserve to have a voice in international cooperation.

Conclusion: Who Sets Tomorrow's Rules?

The crisis of multilateralism is a real one. In light of the drastic changes occurring in the international system, it is certainly in our interests to be proactive in shaping this change and defending our liberal values. We have to be more resolute in countering any threat to the liberal political, social and economic model posed by undesirable changes in values and norms.

Proposed reforms to multilateral organisations should ensure that institutions can respond effectively to global problems.

The scale of the challenges involved means that Germany and Europe have to be prepared to do more with regard to foreign policy and security in order to uphold and strengthen the rules-based order. In practical terms, “doing more” means working together with international partners – first and foremost European countries, but also beyond them – in order to find the best possible way of filling the economic and security vacuum left by the US. It will be important to make a stronger claim to shape this order by developing stronger strategic capabilities in foreign policy, for example through instruments such as a National and European Security Council. It is in the interests of Germany and Europe to prevent China from filling this vacuum. In the wake of the US' withdrawal from the WHO, Berlin and other European capitals have already announced that they are prepared to shoulder a greater financial burden and make proposals for reform. Any proposed reforms to multilateral organisations should have the aim of ensuring

the institutions are restored to a position where they can respond effectively to global problems. The MOPAN assessments should be taken into account when considering where and how such reforms are needed. Alliances of like-minded states, such as the Alliance for Multilateralism, should also be involved in designing and implementing the reforms. With regard to the UN, and the ever-more-frequent deadlocks in the Security Council caused by the growing rivalry between major powers, consideration should be given to making greater use of mechanisms such as the Uniting for Peace resolution. This allows the General Assembly to take action in situations where there is a threat to international peace and the Security Council is unable to act. However, if no progress is made within the UN system, it should also be considered whether certain contentious issues could temporarily be excluded from the United Nations, under strict conditions, and dealt with by multilateral coalitions. The future of multilateralism will also be characterised by new forms of international cooperation and fresh alliances, and new actors may emerge. This involves not only the state level, but also civil society.

China, as a competitor to the system, must also continue to be integrated into the existing order. It would be prudent to avoid giving the Chinese leadership any greater leeway – especially in the area of human rights – and to oppose the alternative standards espoused by Beijing in a subtle way that will avoid stirring up greater antagonism. In any case, value should be placed on Beijing playing a responsible and constructive role in the international community.

Finally, the strengthening of the multilateral order begins at home, so it is essential to combat populism and its causes. It will be difficult to stop populists instrumentalising the economic crisis triggered by COVID-19. Nevertheless, centrist political parties must find ways of countering this. In the wake of the coronavirus pandemic, the EU needs to promote a new narrative to make globalisation more responsible and sustainable at European level. Such an ambition would also help to win back the opponents

of globalisation, whose positions – although differently motivated – often overlap with those of populists. This would help bring them back to the table as partners in creating international policies that promote greater social and economic justice and protect our planet.

-translated from German-

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