



CENTER FOR ASIA PACIFIC POLICY

International Programs at RAND

Can Multilateralism Survive in an Age of Great Power Rivalry?

Rafiq Dossani

Director, RAND Center for Asia Pacific Policy

November 1, 2022

Note: This presentation has not been vetted by RAND Quality Assurance. It should not be cited without permission.

Definition of Multilateralism

- Multilateralism
 - The use of institutions to encourage member states to collaborate to adequately provide global public goods.
 - Some multilateral institutions are global, e.g., the United Nations.
 - Some multilateral institutions are selective
 - Selection may be based on member preferences (OECD), or specific/additional criteria, such as region (ASEAN), function (OPEC), etc.

The Challenges to Reforms

- Reforming a multilateral body is difficult
 - The reforms may lead to losses for some members
 - This makes decisions by consensus difficult, e.g., the experience of the IPCC and WTO
 - To avoid such a situation, in many cases, promoter interests are embedded in the rules, such as on how voting rights are determined. But, this can hamper reforms as well.
 - These factors matter less when one great power is dominant.
 - In the post-WW2 period, the United States promoted several multilateral institutions, including those run by consensus, that have been successful.

Many of the Global Institutions Promoted by the U.S. after WW2 Have Succeeded

- As the world's largest economy & military power since the 1890s, the U.S. alone had the capacity to underwrite success
 - By 1945, the US was the world's largest exporter, accounting for a third of global exports. By contrast, China's current share of global goods exports is 13%

Institution	Year Founded	Rules-based Control	Institution	Year Founded	Rules-based Control
World Bank	1944	Yes	Intl Court of Justice (UN)	1946	Yes
IMF	1944	Yes	GATT/WTO	1947	No
United Nations	1945	Yes	WHO (UN)	1947	No
FAO (UN)	1945	No	Refugees	1950	No
Human Rights (UN)	1946	No			

- As new global needs arose with public goods characteristics, new multilateral institutions were promoted, many through the UN. Examples:
 - World Food Program: 1961, to address food shortages (part of UN)
 - United Nations Environment Program: 1972, to address environmental issues

How did these institutions survive the Cold War?

- Sustained U.S leadership and financial support were the key ingredients
 - The U.S. saw the institutions as essential supports for the Cold War
- How the U.S. fended off potential challengers to US leadership
 - Sideline *the USSR*. It left/was excluded from/did not join the FAO, IMF, UNESCO, WHO and WB.
 - The *non-aligned movement*, despite opposing the U.S. in many multilateral forums, lacked resources and unified leadership to be an effective challenger
 - *China*, with its championing of the Global South, could have been a challenger, but was excluded from the U.N. until 1971, and from the IMF and WB till 1980. Its (re)admission to GATT/WTO took 15 years (196-2001)
- *Regional powers*, often acting in concert, posed the most significant challenge. E.g.,
 - The Inter-American Bank (forerunner of the Inter-American Development Bank), proposed in 1940, failed to get U.S. Congress approval. IADB was formed only in 1959, with strong U.S. control
 - Japan tried and failed twice, in 1956 and 1962, to create a regional bank, due to U.S. opposition. It was only in 1965, when the U.S. turned a Cold War lens to Southeast Asia that the bank's role seemed useful to the U.S. ADB was formed in 1966, with control shared between the U.S. and Japan.
- Arguably, U.S. actions in its self-interest protected the existing multilateral institutions from ownership conflicts.

Good Times for Multilateralism: 1992-2002

- After the Cold War ended, for about a decade, multilateralism revealed its strengths in the more united world order of the post- Cold War period. Key successes included:
 - The UN Security Council's pivotal role in resolving the Balkan region conflicts in Bosnia and Herzegovina after the 1992-95 Bosnian war and the Kosovo conflict of 1998-99
 - The International Atomic Energy Agency's role in implementing the October 1994 Agreed Framework on North Korea
 - The establishment of the World Trade Organization in 1995 & China's entry in 2001
 - The World Health Organization's management of the 2003 SARS pandemic.
 - Notably, all the above were promoted by the U.S.
- Summarizing the 1945-2000 period, institutions seem to have performed better when they accepted the leadership of one country than when they tried to accommodate the views of their members.

U.S.'s unsteady commitment to multilateralism this century

- The wavering began with differences over Iraq in 2002 in the UN Security Council.
 - Having failed to gain approval at the UNSC to authorize the invasion of Iraq, the U.S. created an ad hoc Coalition of the Willing for the purpose.
- In 2013, the U.S failed to gain approval at the UNSC for a military strike on Syria.
 - It once again created an ad hoc coalition.
- President Trump accelerated the shift from multilateralism, withdrawing the U.S from the Paris Agreement on Climate Change, UNESCO, UNHRC and WHO, and focusing on bilateral and unilateral agreements
- The Biden Administration brought the US back to the Paris Agreement, UNHRC and WHO
 - Like Trump, it has also vigorously promoted unilateral arrangements, such as the Quad, Indo-Pacific Economic Framework (IPEF), and AUKUS
 - Biden's initiatives have been hurt by inadequate resource commitments and market access
 - The US who is the largest defaulter on IPCC commitments
 - IPEF focuses on standards and avoids trade liberalization.
 - The Partnership for Global Investment in Infrastructure of 2022 lacks credible resource commitments.

DRAFT

China's rising commitment to multilateralism

- China is an active participant in existing multilateral institutions
- It has promoted its own, mostly regional, institutions and initiatives, many of which compete with U.S.-promoted multilateral institutions through adequate resource commitments

Name	Year Founded	Location
Asian Infrastructure Investment Bank	2016	All Asia
Belt and Road Initiative	2013	Global, but record shows focus on Asia
Comprehensive Agreement on Investment	2020	Europe
Forum on China-Africa Cooperation	2000	Africa
New Development Bank	2014	Asia
Regional Comprehensive Economic Partnership	2020	East and Southeast Asia
Shanghai Cooperation Organization	2001	Central Asia

The state of China-U.S. relations as seen through snapshots of a decade

- 2013

- Secretary of State Kerry: The United States wants a strong, normal, but special relationship with China, and that's a special — because China is a great power with a great ability to affect events in the world. And we need to work together to do that.
- Foreign Minister Wang Yi: China-U.S. relations must adhere to the following principles: no conflict or confrontation, mutual respect, win-win cooperation....We are aware of the US statement that it does not see China as a threat or intend to contain China; instead, it wishes to see a strong and stable China.

- 2021

- Foreign Secretary Blinken: the U.S. approach to China will be “competitive when it should be, collaborative when it can be and adversarial when it must be.”
- Foreign Minister Wang Yi: China and the United States should uphold the spirit of no conflict, no confrontation, mutual respect, win-win cooperation and actively explore a way of peaceful coexistence between two major countries with different systems. The U.S. side defines China-U.S. relations as having competitive, cooperative, and adversarial aspects. Our view is that it blurs the distinction between the mainstream and substream of the bilateral relations and reflects a lack of a clear direction and goal going forward.

Thoughts about the future of multilateral institutions

- Instead of a state of China-U.S. relations that is “competitive when it should be, collaborative when it can be and adversarial when it must be,” the current state of China-U.S. relations is better described as “adversarial when it can be, e.g., CHIPS Act, collaborative when it must be (e.g., climate change) and competitive when it needn’t be (e.g., pandemic support).”
 - Multilateral institutions are likely to see all three situations, as U.S. interest in multilateralism again rises
 - China’s capacity is rising, but is still significantly below the U.S. economically, militarily, technologically, etc.
- Will multilateralism survive this situation?
- Different types of institutions may see different outcomes, depending on whether decisions are made by consensus, majority votes, or pre-established rights.
 - We already have observed exits and the setting up of competitive institutions.
 - This trend could continue, causing once-powerful institutions to lose relevance.
 - Summarizing the first two decades of this century, the new bipolar world order has not led to institutions that are jointly and sustainably managed by the two great powers.
 - China-U.S. collaboration on climate change (prior to the Pelosi visit to Taiwan) suggests that collaboration is possible, even if it takes an existential threat to the planet to give meaning to the words “when it must be.”



CENTER FOR ASIA PACIFIC POLICY

International Programs at RAND