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Whither multilateralism?

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1. The best of times…the worst of times

Among the advanced countries there has been unprecedented international cooperation in fighting the Russian aggression in Ukraine. But after very supportive votes in the UN in the immediate aftermath of the invasion, enthusiasm in the Third World has been lagging. One would have thought that everybody would agree that a country cannot simply invade its neighbor. Smaller countries especially should want to curb unbridled power.

There has also been strong international cooperation on the existential issue of the day, climate change, but the world is still not doing enough. Advanced countries have not lived up to their previous commitments to provide assistance to developing countries, both for adaptation and mitigation. Without active participation from the developing countries and emerging markets, no matter how successful the developed countries are in reducing their emissions to zero, the world is doomed; and the developing countries ask, why should they sacrifice their growth when the advanced countries have used up so much of the atmosphere's "carbon capacity"?.[1]

There has also been strong international cooperation in fighting the coronavirus pandemic. The international scientific community came together to identify the pathogen, develop tests, assess protocols that might curb the spread of Covid-19, and develop vaccines—all on the back of huge public financial support not only for the underlying basic research but also for the

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[1] Of course, in the absence of effective global action, these countries may well suffer the most. One can view the advanced countries' position cynically as just power politics; regardless of the high-sounding rhetoric often put forward, it is hard to justify their actions—in particular, their failure to provide adequate financial support—on any ethical principles. The only defense is the weak one: Current domestic politics does not allow it.

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applied research that quickly translated these ideas into an effective vaccine, with hundreds of millions of doses administered.

But that same spirit was not shared by the pharmaceutical companies, who saw this as a chance to make unprecedented billions of dollars in profits, never mind the lives lost or the geopolitical consequences. While inhabitants of the advanced countries quickly got all the vaccines they wanted, those in the developing countries were left to fend for themselves. It came to be called vaccine apartheid. Only China and Russia recognized the opportunity that this afforded for changing geopolitics. They provided vaccines and even offered to transfer technology.

Now, as the world has moved from reliance on just vaccines to testing and treatment, an even harder-to-justify set of inequalities has arisen. There are shortages, and yet firms in developing countries and emerging markets could produce these products—but for a waiver of intellectual property rights.

Of all the issues in globalization, this seems the closest to being a no-brainer. The cost to the US and Europe is negligible; the drug companies lose a little on their monopoly profits, garnered largely on the back of publicly funded research. Yet so long as the disease festers it continues to mutate, which gives rise to the danger of a more infectious and deadly variant. There is not even a principle at stake: The right of a country to issue a compulsory license is well established, and even the US has threatened at times to invoke that right. But the drug companies have mastered the art form of delay—every day that they delayed generic versions meant thousands hospitalized and dead, but they focused on the other side of the balance sheet, millions in profits. A waiver would expedite the process of granting IPR, and thus reduce the time before a generic is available.

It is a shame that the US and European governments have not done all they could to speed this along. But if they could be so captured by the power of drug companies, if there couldn't be an agreement on this, what hope have we for all the more difficult issues within multilateralism?

Among those more difficult issues is global macroeconomic coordination. The international issue of the moment (early 2023) is inflation. But US monetary policy represents a new form of "beggar-thy-neighbor" policies, inducing a global slowdown and debt crises in the poorest countries. (It is even risking financial turmoil inside the US.) The higher US interest rates are giving rise to an increase in the value of the dollar, leading to higher inflation in other countries. As the UN Commission I chaired a decade ago pointed out, there is an inadequate global framework for macroeconomic coordination and an inadequate global framework for debt resolution.[2]

2. Whither multilateralism in an era of a new Cold War?

While the war, climate change and the pandemic all show forcefully the need for global cooperation, these recent experiences have revealed how difficult it is to get even a modicum of cooperation. But the new geopolitics has made such cooperation more difficult as we move into an era of a new Cold War. The conflict between the West and Russia could hardly be called

[2] Stiglitz, Joseph E., and Members of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System. 2010. *The Stiglitz Report: Reforming the International Monetary and Financial Systems in the Wake of the Global Crisis*. New York: The New Press.

cold, though it could get much more heated. But the tension between the US and China is very much in the open.

The critical question is, can we compete, even aggressively, in some areas while cooperating in others? Are there new rules, new and reformed institutions, that would facilitate the requisite cooperation? New trade rules, new IPR rules, a sovereign debt-restructuring mechanism, new multilateral green banks?

Underlying the challenge of creating a new geo-order are not only the heightened rivalries, but the diminution of the bases of "common ground" on several counts. Many of the rules and institutions created in the past 75 years were grounded on the simple ideology of neoliberalism, which simultaneously served well the interests of the power brokers in the US and other advanced countries. That ideology has lost ground, even in places where it was the dominant religion. Its failures were evident: growing inequality, slowing growth, financial instability, and even, in the US, a decline in life expectancy. While the theoretical underpinnings had been attacked for half a century on both sides of the Atlantic, neoliberalism eventually lost its sway in the public domain. Trade liberalization became politically toxic. And the economic failures had obvious political consequences, almost surely contributing to the growth of populism and the polarization of society.

And then there were the ideas supporting trade deals with China that went beyond the standard Ricardian arguments that free trade benefits all, centering on global politics. Most importantly: "We were all converging to liberal democracies and free market economies, and trade deals will hasten that process." These ideas seem from today's perspective more than a little pollyannish.

While both sides (US and China) have by now identified the other as their major strategic competitor, the strong restrictions on US exports of advanced chips, and of the machines that make those chips, imply that this is more than just healthy economic competition. It's an attempt to stifle the other side, which is perhaps worse than zero-sum economics—a willingness to hurt oneself if the other side is hurt more.

Such a stance makes multilateral cooperation, as necessary as it is for addressing critical global problems, difficult.

2.1. Announcing a war without a strategy

But what is perhaps the strangest part of US strategy is that it has effectively declared a new Cold War without a plan. To the contrary: At the very time the US engages in actions that can only look hostile from the other side, the US seems neither to have a strategy to win the hearts and minds of those in the Third World nor to wean itself off of dependence on the cheap goods and minerals it buys from China.

Nor does it seem to have a strategy to protect itself against a variety of counteractions that China might take. China seems, so far, to have pulled its punches; the US government somehow appears to believe it can take aggressive stances against China in some areas without a response *somewhere where it matters.*

There are multiple ways in which China could take actions that counter US interests and influence. It looks like China may have already done some of these things, but there is scope for it to do much more.

In the geopolitical arena, China has already raised its profile. It is exploiting the friendships built up over years through its aid programs to Africa and poor countries, reinforced by its Covid-19 diplomacy. Its role in brokering an agreement between Iran and Saudi Arabia shows

its intent to have an increased diplomatic stance; it seemingly has displaced the US as the power broker in the region. Its continuing ties with Iran have obviously undermined the West's effort to isolate that country.

Also, as this goes to press, China is threatening to undermine sanctions against Russia. The West has had veiled threats that there would be consequences. But there are subtle, "on the edge" ways of limited circumvention—enough to annoy, not enough to provoke.

Even more fundamentally, it's not clear what actions the US could take. Additional tariffs would increase inflation in the US. In the short run, there aren't alternative suppliers of many of the products imported from China; in the long run, the US has already declared its intentions. Given the current level of economic interdependence, it is hard to see what actions the US might take, how effective they would be, and the relative costs borne, at least in the short run, by China versus the US.

Moreover, given our dependence on China for certain minerals, they have the ability to cause pain, at least in the short run. China could, for instance, jack up prices or cut off supplies of critical materials. One might say that would be cutting off its nose to spite its face, but the US has already announced it will *eventually* seek independence from China. So, if China wishes to exercise market power it has to do so now—a symmetric reasoning akin to what led the US to cut off supplies of advanced chips.

I've already noted how the unwillingness of the US to come to the assistance of Third World countries in the midst of the Covid-19 pandemic—at least in a way as effective as that of China and Russia—has undermined support in the war against Russia. America's political and economic system puts the profits of a few over the lives of many—hardly a selling point for the US system.

Belatedly, there is public discussion about the dependence of the US and Europe on minerals and other materials coming from China used in green-transition technologies. America's failure to engage in Africa provided China with an open opportunity to buy scarce resources, to indeed dominate several critical markets. China realized the importance of these materials and they took action. The US, on the other hand, left it to the market—and the market, of course, puts too much emphasis on short-term profits and no emphasis on national security, a public good.

3. New trade rules needed: old rules aren't working

The old international trade order has broken down. President Trump seemingly imposed tariffs and trade restraints at will, claiming essentially everything was a matter of national security. He undermined the trade architecture by refusing to appoint the appellate judges to adjudicate disputes; without a dispute adjudication mechanism, there can't be an international trade "rule of law."

There was hope that with his departure the international trade order would be restored. In fact, in some ways, matters became worse. The tariffs and trade restraints imposed on China remained. The blockage of appointments of judges continued. President Biden imposed new constraints on exports/imports of high-technology products.

But most telling, the US adopted industrial policies favoring domestic production of chips and green investment and provided large trade-distorting subsidies, which are illegal under international trade law. The US seemingly paid no attention to the international rules, telling Europe, when it complained, essentially to "get over it." Europe, probably wisely, decided not to retaliate, but to do its own subsidies (which some claimed were already larger than those of the US, though allegedly carefully designed not to be "trade distorting," and thus to be

compliant with international law. Of course, without a functioning appellate court, each side in the dispute can claim more merit than deserved to their position.).

Indeed, in Europe, as a result of its misguided energy pricing, which led to massive increases in electricity prices (even in countries that were exporting energy), there was massive disruption, putting, for instance, many small businesses near or over the brink. Ironically, in order to preserve this misguided pricing system claimed to be based on "market principles," some governments were forced to engage in massive government interventions in the market—in multibillion-dollar bailouts of critical companies forced into bankruptcy by the flawed energy pricing system.

3.1. Risks of not establishing a new framework

There are multiple risks in not establishing a new framework. The most obvious is the restoration of a "law of the jungle," where the powerful do as they please, the weak accept what they must. Almost surely, the scope for taking advantage of specialization and comparative advantage will diminish, and almost surely, the global economy will pay a price, though not necessarily a larger price than has been paid by having unfettered globalization guided by neoliberalism.

Earlier, I described the threat of Chinese retaliation as the US advances its unilateral agenda. But not only is there a risk of Chinese retaliation; there is a risk of retaliation from Western trading partners, too. Without an international appellate court, there is no end to a tit-for-tat strategy.

It is, of course, the developing countries and emerging markets that are most likely to suffer under this law of the jungle.

3.1.1. The old architecture and the new Cold War

Here's where the new Cold War and the *old* international rules come into conflict: If the West is to rapidly adjust, markets on their own are not up to the task. They don't and can't reflect the urgency. Governments don't rely just on markets in wartime. The US has even invoked the War Production Act to respond to the war against Covid-19. But if virtually everything is within the remit of "defense," then the old international rules simply don't matter.

More broadly, even within a new geopolitics, there are gains to trade, benefits of comparative advantage and specialization. Trade is not zero-sum. Without a new set of rules, we may be destined for a situation in which much of the potential of these gains will be foregone. Higher costs of production mean lower standards of living.

The West may decide it's worth it, that the threat posed by China is so great and that restricting trade with China may hurt them more than it does us, so net, we are better off. But so far, the US has not embarked on an assessment of whether this is the case.

In short, the US is in a curious position. "Officially," many in the establishment have not abandoned their belief in so-called free trade. The protectionism measures against China are defended on the grounds that China is violating the rules; but the US refuses to allow an independent assessment of whether that is so, as it hamstrings the appellate court. Some aspects of the new industrial policies are defended as part of the new Cold War; but others, such as in the Inflation Reduction Act (on green products) have no defense other than this is where American politics is.

The new Cold War involves not only the US and China but other countries around the world, too, and many do not look favorably on what the US is doing. The *realpolitik* governing trade

today appears to many as: the US does as it pleases, but developing countries and emerging markets have to obey the rules, not as interpreted by appellate judges who are fairly appointed with reasonably fair processes, but as interpreted by the US Trade Representative and the US Department of Commerce, representing the interests of American producers. This pushes these countries further into the arms of China, and would seem to be counterproductive for a country seeking to win a new Cold War.

3.2. With intellectual and political foundations of the old trade order gone, we have no choice but to look for a new order—but this will not be easy

Creating a new trade order is going to be difficult for several reasons. First, the US was the strongest supporter of an international rule of law, but it no longer seems to be. Secondly, both in the US and Europe, there was the belief, noted above, that trade facilitates convergence (the hypothesis that no two countries with McDonalds would ever go to war with each other). Economics and global politics seemed to be converging as well. These beliefs too have been shattered.

Perhaps most importantly, the old order is based on a set of economic ideas, neoliberalism, which have been largely discredited. As a matter of theory, they had long been discredited. Forty years ago, Newbery and Stiglitz (1984) had shown that in the absence of good risk markets, everyone could be made worse off. Learning by doing, critical for all countries but especially for developing countries, implies that some, well-designed trade restrictions can enhance growth and welfare (Greenwald-Stiglitz, 2006). The standard analysis for free trade not only exaggerated the benefits, but also underestimated the costs: Distributive costs are large and may outweigh gains in GDP. Free trade and open financial markets can contribute to macroeconomic instability.

But it was not these academic arguments that changed the global consensus against free and unfettered international markets, it was a series of unfortunate experiences: In the US, the China and NAFTA shocks—the shocks that followed after bringing down trade barriers with China and Mexico—lowered wages and property values and increased unemployment in locales affected by import surges. Many countries have found it difficult to protect themselves from environmental and other forms of exploitation. The 2008 financial crisis showed how mismanagement of the financial sector in one country could have devastating global consequences.

Moreover, it became increasingly clear that it was wrong to call the current regime a free trade regime. It is a managed trade regime, shaped in great part by vested interests in rich countries. The large and persistent agricultural subsidies that are allowed under WTO rules—disadvantaging developing countries dependent on agriculture—illustrate this.

While it will be difficult to reach a full agreement, it is important to seek *minimal agreements,* covering areas with mutual benefit from trade, restricting actions whose *primary* effect is to worsen the relative position of others while allowing actions whose primary effect is to strengthen the economy of the country undertaking the action. In the next section, I illustrate by considering what such an approach might imply for industrial policy.

3.3. Possible new framework for industrial policy

There are several general principles that should guide a new global framework for what are acceptable industrial policies.

1. Concern about jobs should not be at the center of trade policy for advanced countries—maintaining full employment is the responsibility of monetary and fiscal policy.
2. Market failures, including concerns about public goods and inequality, mean that there is a rationale for industrial policy. Industrial policy is not about picking winners, but about identifying externalities and other market failures. Market failures are pervasive, and were we to have a single global economy, it would be desirable to have industrial policies. Accordingly, prohibiting them makes no sense. And this is especially so if the West sees itself in a new Cold War with China. It's as if the West tied its hands. No wonder that the US—after years of criticizing China for having industrial policies—has openly adopted them (though for decades, the US had industrial policies buried in the defense department).
3. The hard question, to be discussed below, is about global spillovers of policies intended to correct domestic externalities. Poorer countries—the poorer countries in the EU, and the developing countries around the world—are at a disadvantage because they cannot afford to undertake industrial policies. There may be no level playing field. Of course, under standard rules, developing countries could levy countervailing duties; this might protect them from imports from the US, but wouldn't restore a level playing field.
4. For small countries, global externalities are likely to be small, but this is not the case for a large country**.** This implies that small developing countries should be allowed to engage in such policies.
5. There are some instances where industrial policies may clearly enhance global welfare. Everyone benefitted from US subsidies for vaccines, and the world benefitted from China's subsidies to renewables. The question we address below is whether there are any criteria and/or conditions on industrial policies that might make it more likely that such policies would be world welfare-enhancing.

3.3.1. Assessing the national security argument

Of course, global welfare maximization was not the issue top-of-mind in the US as it engaged in industrial policies. Interestingly, while a main motivation was surely competition with China, there are many curious aspects to such a rationale. The US had long criticized China's industrial policies as unfair trade practices and put enormous pressure on China not to engage in such practices. With the US now adopting them, others may look at the US as hypocritical. More generally, the US has long criticized state-led development, championing free market solutions (more so on the Right than the Left); now the US seems to be admitting that markets on their own do not suffice—but not really owning up to the limitations of markets.

Under Trump, though, the argument put forward was "national security": Not having domestic production capacities in particular sectors threatened the country's security. When he stretched the argument to include tariffs against Canadian production of automobiles it seemed more than a little disingenuous, others are likely to raise the spectre of national security.

Are there some criteria that can be invoked to assess whether there is any validity to the national security argument? The argument usually entails having sufficient domestic production capacity, especially in industries that might be crucial, so that if imports were cut off in wartime, adverse impacts would be limited.

Clearly, if that is the case, industrial policies need to be limited to areas where there is a compelling need for a national security exemption—not automobiles—and needs to be focused on domestic production—they can't extend to increasing export competitiveness.

3.4. Promoting a global green economy

Thinking about policies to promote a global green economy may provide a testing ground for alternative rules. Since industrial policies that lower the price of green technologies like solar panels provide *global* benefits, they should be allowed, regardless of their impact on domestic employment. This runs counter to current US practice. The argument follows directly from the first principle given earlier: The US has imposed trade restrictions because of the loss of US jobs, but that shouldn't be the objective of trade policy. Of course, the subsidies need to be permanent, not part of predatory anti-competitive behavior. If there is a commitment that prices will remain low, then countervailing duties should not be allowed.

Cross-border carbon taxes should be allowed *against other countries at the same stage of development* (not taxing carbon is an implicit subsidy). But the imposition of such taxes by advanced against developing countries is more problematic because of the uneven playing field to which it gives rise, especially in the presence of industrial policies. Obviously, developing countries can't manage the scale of subsidies that advanced ones can, so for them to have comparably green production may well entail either paying royalties to or purchasing products from advanced countries. (Of course, this advantage would be lessened if the advanced countries transferred green technologies to the developing countries, but so far that has not happened.) Moreover, green technologies often are more capital intensive, and with capital costs being so much higher in developing countries, they are put at an even greater disadvantage.

The first principle enunciated earlier is that trade policy is not about job creation; and if that is the case, and if the motivation for green subsidies is really about fighting climate change, a global public good, and not about getting an unfair trade advantage, then countries providing green subsidies should, as I suggested earlier, be willing to transfer the technology to developing countries and should provide commensurate subsidies *to developing countries* for development and adoption of green technologies.

Of course, the appropriate policy for developed countries should center around carbon taxes and regulations—imposing costs on firms that impose costs on society, not subsidizing those who do not impose costs on society. (And as long as there is not a tax/regulatory framework that imposes a cost of carbon on *every* product that is an input into the production of an exported good, including non-traded inputs, there is a subsidy to the production of a good, albeit a hard-to-calculate subsidy.) The latter policy leads to a distortion of production—even if the outcomes may not be as bad as those that result from no interventions.

The hardest questions are what economists call second-best: comparing the global benefits of reduced emissions from an "imperfect" intervention, such as the Inflation Reduction Act, with the global costs, the loss of global efficiency and the possibly adverse distributional effects. These distributional effects might be overcome but probably won't be. At the current juncture, the former is probably more important than the latter, especially with the positive dynamic effects taken into account. Many if not most the of costs of the economic distortion are borne by the country engaged in the distortionary policies.

This discussion should make clear, however, how hard it will be to define simple global rules. The old regime was guided by two simple sets of principles: (a) those of neoliberalism, that free and unfettered markets without any state aid lead to efficient solutions and that any concerns about distribution could be efficiently and fairly handled through the political process; and (b) those of power politics, that, for the most part, the rules would be written to advance the interests of powerful producer interests in the advanced countries. The two principles, of course,

often ran into conflict with each other, giving rise to (legitimate) charges of hypocrisy, but a hypocrisy that had, over the years, been normalized. The "correcting market failures and attending to distributive consequences" approach that might underlay a new trade regime is far more complicated, and reconciling the dictates of that approach with power politics may be far more difficult, at least until the resolution of the inevitable conflicts with the interests of those with power are "normalized."

3.5. We have two conflicting competition policies

The area of competition illustrates how difficult it may prove to devise new, simple rules. The regime that prevails in trade, where powerful producer interests predominate, is markedly different from that of antitrust.

In antitrust, the presumption is that markets are naturally competitive, and with that presumption it is hard to establish that a firm has engaged in predatory behavior, where prices are lowered to drive out rivals and once that is done, prices are jacked up to exploit the market power thus created. In antitrust, the presumption is that that just couldn't happen, because the moment prices are jacked up, new entrants will come into the market.

In trade, the presumption is that selling below cost (typically incorrectly measured as average, not marginal costs) is predatory and should be stopped, or at least "countervailed" with countervailing duties.

The reality is in between. Permanent subsidies should not be viewed as predatory, but as a reflection of societal judgments about, say, market failures. Similarly, permanently low market prices, seemingly below average or marginal costs, suggest that we are mismeasuring those costs. When prices are permanently low, there is no predation; consumers in other countries benefit from the lower prices. The standard argument among some trade ministers and protectionists is that lower prices from even permanent subsidies give the country an unfair trade advantage that costs jobs; but recall the principle enunciated earlier: Trade policy is not about jobs; employment is the realm of macroeconomic policy. This is especially true for advanced countries. (Developing countries may have a limited set of instruments.).

The difficult question is, how can one tell that a subsidy is permanent rather than temporary—in effect just until others are driven out? The answer is that we can devise punishments for those engaging in predation ex-post. In any case, small country subsidies should not be viewed as predatory, since they do not have the power to preclude others from entering the market. This implies (consistent with another of my earlier enunciated principles) that small developing countries should be allowed to engage in whatever subsidies they want—if there are costs, they are borne by the country itself, with consumers in other countries reaping much of the benefits.

4. Intellectual property regime hasn't served the world well in the pandemic

One of the especially problematic aspects of the international trade regime is that governing intellectual property (TRIPS). It impeded the response to Covid-19 and left a legacy of bitterness in the Third World, affecting global solidarity. This is especially relevant as we enter a new Cold War, and perhaps even more so in the hot war resulting from Russia's invasion of Ukraine.

It resulted in vaccine apartheid, where people in the developed countries got as many vaccines as they wanted, while vaccines in the developing world were severely rationed. As we move to testing and treatment, matters may be even worse. There is a shortage of the treatments,

for instance, and the possibility of production in developing countries is greater than was the case for vaccines. In both cases, though, a critical barrier to access was intellectual property.

The US supported a waiver for the vaccines—although not for other Covid-19 products—but a few European countries opposed it. The foolishness of the position of the advanced countries should be obvious: So long as the disease festers, there is a risk of more dangerous mutations. The drug company profits were put ahead of the lives and health of those in developing countries and emerging markets. Their position was particularly strange given that most of the funding for research came from governments. The argument that providing a waiver would undermine incentives for research was simply false, especially given the fact that governments had already borne most of the costs of the research. The private companies had ample incentives with enormous returns on their investments; they didn't need such exorbitant returns to incentivize their investments. Besides, there was no change in the fundamental legal framework: There was already the right to a compulsory license. All that was changed was a lowering of transactions cost, to speed up access to intellectual property.

If we couldn't get a global agreement to do everything possible to combat the pandemic, what does it say about global cooperation in other arenas?

5. Sovereign debt

The final area I want to discuss to illustrate the problematic state of multilateralism today concerns sovereign debt. Many countries in the developing world are facing a debt crisis. There are many reasons for this excessive indebtedness, including the pandemic. My concern here is how US policies have worsened the crisis.

US monetary policy has been exacerbating the risk of debt crises through several channels. When interest rates in the US increase, the interest rates the highly indebted countries face increase even more. Many lose access to credit. The value of the dollar increases, and that makes it harder for these countries to service their debts. And the higher interest rates lead to a global slowdown, reducing exports, and making it still harder to service the debts.

But we have no framework for resolving sovereign debt. The UN passed, almost unanimously, a resolution for creating such a framework and set forth a set of principles (2014, 2015)[3] but the US and a few other powerful creditors opposed the initiative, so nothing came of it. The US said that certain reforms in contract design would suffice; but these contract provisions inserted into new debt contracts (collective action clauses) have—as predicted—not resolved the issue.

Some US policies have exacerbated the problem (the NY State law on prejudgment interest encourages vulture funds to delay settlement; the lack of transparency in CDS positions makes it impossible to know whether the creditors are bargaining in good faith[4]).

The problems today are worse than in earlier crises: There are more lenders—including China, not a member of the Paris Club—and more private-sector lenders, not just banks; there are more borrowers; and more complexity, with more of the debt being written in local

[3] Such a framework was strongly endorsed by the UN Commission which I chaired in the aftermath of the 2008 global financial crisis. See fn. 2.

[4] These are not the only problematic aspects of the legal framework in New York, which is where much of the borrowing occurs. The Champerty provision is another. For more on this, see Stiglitz, Joseph E., Robert Howse, and Anne-Marie Slaughter. 2020. "Sovereign Creditors Must Not Rewrite the Rules During the Pandemic." *Project Syndicate*, July 9, 2020.

currency. The likely result is that the problem of "too little, too late" will once again prevail.[5] This in turn will undermine global solidarity and the ability of world to cooperate on a wider range of issues.

6. Concluding whither multilateralism?

The need for multilateralism has never been greater. In the past, the US saw it in its interests to promote multilateralism. It is surely true today. But currently, the US is pursuing policies in several arenas that undermine the possibility of wider global cooperation. In each of these areas, there are alternative frameworks that would promote global cooperation and from which the US would benefit. The problem is that in several of these areas, policy has been shaped too much by short-term thinking, simplistic ideology, and special interests. The long-term consequences both for the US and the world may be severe.

[5] See Guzman, Martin, Ocampo, José A., and Joseph E. Stiglitz. 2016. *Too Little, Too Late: The Quest to Resolve Sovereign Debt Crises*. New York: Columbia University Press.