





A
NEW
MULTI-
LATERALISM

*How the United States
can rejuvenate the global
institutions it created.*

BY GORDON BROWN



“America is back.” That was the message from U.S. President Joe Biden, the most internationalist of recent U.S. presidents, speaking at the Munich Security Conference in February 2021. There is a “dire need to coordinate multilateral action,” he declared. But his administration’s fixation on bilateral and regional agreements—at the expense of globally coordinated action—is underplaying the potential of our international institutions, all while undermining any possibility of a stable and managed globalization. Without a new multilateralism, a decade of global disorder seems inevitable.

The great irony, of course, is that the world’s preeminent multilateral institutions—from the International Monetary Fund (IMF) and World Bank to the United Nations—were all created by the United States in the immediate aftermath of World War II. Through U.S. leadership, these institutions helped deliver peace, reduce poverty, and improve health outcomes. Now, with America aloof, cracks in the world order are becoming canyons as we fail to design global solutions for global challenges.

No one but Vladimir Putin is to blame for the war in Ukraine, which, to America’s credit, has brought the whole of Europe together. But elsewhere, the world is suffering from self-inflicted wounds: failures to address mounting debt; famine and poverty afflicting low- and middle-income Africa; an inability to coordinate an equitable response to COVID-19; and an impasse on finding the money to deal with the biggest existential crisis of all—climate change. These crises have left the developing world not only reeling but also angry at the West for its failure to lead.

Anything the international community has done, it has done by halves—and usually too late. It has let people die for lack of vaccines, let them starve for lack of food, and let them suffer because of inaction on climate change and on the catastrophes that follow. Just look at U.N. humanitarian aid or the World Food Program, both of which have received far less than half of the funding they need for this year. World Bank funding for poorer countries is being cut back this year and next, at a time when demands for it to add climate investment to its human capital interventions are growing.

To their credit, U.S. leaders have recognized that old approaches cannot work. The once dominant Washington Consensus now has little support, not least in Washington. In an April speech that the economist Larry Summers accurately

called the “most carefully intellectually developed exposition of the administration’s philosophy,” U.S. National Security Advisor Jake Sullivan rebuked crumbling, Parthenon-like global structures. Rather, he saw more promise in targeted, precision-guided actions such as the proposed Global Arrangement on Sustainable Steel and Aluminum, the Indo-Pacific Economic Framework for Prosperity, and the Americas Partnership for Economic Prosperity. Sullivan made only passing reference to the need to reform the World Bank—despite the fact that U.S. Treasury Secretary Janet Yellen has devoted speeches to this—and the World Trade Organization (WTO) and no mention at all of the IMF, United Nations, or the World Health Organization (WHO). And the premier forum for international economic cooperation, as the G-20 was designated in 2009, did not even merit a name check.

As a statement of a modern industrial policy that recognizes America’s increased need to make security a decisive factor in setting its economic direction, the Sullivan synthesis cannot be faulted. But his intervention was pre-advertised as a statement of “international economic policy” and not just of domestic industrial policy—and in this respect something was missing. This comprehensive speech on U.S. international relations fell short of any plan for a managed globalization. The United States, the undisputed leader of the nearly 80-year-old global institutions designed to enhance international cooperation, seems to be absenting itself from a serious debate about their relevance and potential reform. And as trade wars become technology wars and capital wars and threaten to descend even further into a new kind of economic cold war marked by competing global systems, an America that was, generally, multilateralist in a unipolar world is closer to unilateralism in a multipolar world.

We cannot reduce international policy to merely the sum of regional and bilateral relationships. What happens if there’s another global financial crisis? What happens if there’s again a worldwide contagion? What happens when droughts, floods, and fires reveal a global action that needs to be taken? What happens if, as U.S. President Ronald Reagan once mused to Soviet leader Mikhail Gorbachev, an asteroid is hurtling toward Earth?

A ship in stormy seas needs steady anchors, and today there are none. The world used to be anchored by U.S. hegemony. Those unipolar days are now behind us. But after a unipolar age comes a multipolar age, which requires a multipolar anchor. This anchor—and the stability it provides—must be built on reformed multilateral institutions. Indeed, such an overhaul of the global architecture is the only way to repair a global liberal order that is now neither global nor liberal nor orderly—and to overcome a geopolitical recession that has given us a global no man’s land of ungoverned spaces.

A multilateral reform agenda is all the more important

because alternative world orders envisaged by commentators are hardly inclusive and thus not viable. A U.S.-led free trade zone is likely to be opposed not only by those excluded from it but by the more protectionist U.S. Congress. A coalition of democracies would, by definition, have to exclude U.S. allies from Rwanda and Bangladesh to Singapore and Saudi Arabia, which Washington would be loath to do. And a Concert of Great Powers—akin to the post-1815 Concert of Europe—or a G-2 comprising just the United States and China would also provoke an angry response from most of the world's other 190-odd countries. Clubs, large or small, will not give the world the stability it needs, making a reinvigorated multilateral system a far better way to arrest the slide toward a “one world, two systems” future.

A NEW MULTILATERALISM POWERED BY PERSUASION AND NOT DICTATION WOULD BRING PEOPLE TOGETHER.

CHINESE PRESIDENT XI JINPING understands well the benefits that can accrue to Beijing from shifts in geopolitical power. Just as the United States has moved from multilateralism to bilateralism and regionalism, China has introduced its own new overarching idea onto the global stage.

A decade ago, China focused on professedly regional structures such as the Belt and Road Initiative, which has succeeded in attracting 149 members, and the Asian Infrastructure Investment Bank, with 106 members, including most of Europe, the U.K., and Canada—and which the United States has refused to join, giving the impression it will not join any club it does not lead.

Buoyed by this, China's focus has shifted toward joint international initiatives, including the New Development Bank and the BRICS group of Brazil, Russia, India, China, and South Africa. Now, China has gone global, reaching out on its own with the boldly named Global Security Initiative and the Global Civilization Initiative. With their focus on joint action on crime, terrorism, and domestic security, they follow on from what China considers to be the success of its first fully independent global program, the Global Development Initiative (GDI). All three interventions are far more Parthenon-like and certainly more structured and ambitious in their rhetoric, if not in reality. All told, some 60 countries have already joined the GDI's Group of Friends. As detailed in Dawn C. Murphy's *China's Rise in the Global South*, China is using these global initiatives to build spheres of influence that could one day become a competing global order.

And this surge in Chinese global engagement is not passing propaganda from China but an enduring endeavor on

Xi's part—a deliberate display of political ambition and an attempt to present China as the true defender of the international order. Having just brokered a deal between Saudi Arabia and Iran to restore diplomatic relations, and potentially end the war in Yemen, Xi has now been sufficiently emboldened to push a peace settlement proposal to end Russia's war in Ukraine, not to mention murmurings of a leading Chinese role in a two-state Israeli-Palestinian peace settlement, all under the umbrella of upholding the U.N. Charter.

There's fine print, of course. While China supports the Charter's commitment to the territorial integrity of states and noninterference in the domestic affairs of member countries, it is silent on the sections of the Charter and subsequent U.N. resolutions that focus on human rights, the responsibility to protect, and the principle of self-determination—and China does little to uphold rulings made by the International Court of Justice and the International Criminal Court or, for example, the U.N. Convention on the Law of the Sea.

The logical response is clear. Rather than retreating further, the United States must respond to a changing global order by championing a new multilateralism—not the old hub-and-spoke multilateralism that assumed unchallenged U.S. hegemony and could be upheld by instructing allies and suitors. A new multilateralism powered by persuasion and not dictation, and founded on the realities of our global economy, would bring people together through reforming the international institutions that the United States has the potential to once again lead.

WASHINGTON HAS YET TO FULLY COMPREHEND the sheer scope and power of three seismic geopolitical shifts—what Xi calls “great changes unseen in a century”—that are creating a fractured and fragmented world in which Pax Americana is no more. And such a world still requires attention to be given to the provision of global public goods if we are to combat the disruptions that come from climate change, pandemics, financial instability, and excessive inequality.

The first seismic shift is, of course, recognized by Sullivan, at least as far as it affects the White House's domestic ambitions. Neoliberal economics, dominant for three decades, bequeathed a globalization that was open but not sufficiently inclusive. That economic order, in which half the world enjoyed higher living standards but many in the United States and the West stagnated, is being replaced by neo-mercantilist economics as states redefine their economic self-interest in terms of security protection. Resilience now trumps the old desire for efficiency; guaranteed supply trumps cost; and “just in case” matters more than “just in time.” Where once economics drove politics, politics is now driving

economics—as evidenced by the trade, technology, investment, and data protectionism gripping the globe.

The second shift is not so well understood in Washington. Policymakers have failed to wake up to the full implications as the 30-year-old certainties of a unipolar world are giving way to the uncertainties of a multipolar world. This is not, of course, a world that can be described as “multipolar” in the narrow sense that three or more countries have equal power and status—and some writers have therefore concluded that there is still a “partial unipolarity.” Rather, multipolarity means a world of multiple and competing centers of power, with huge implications for future U.S. relationships around the globe. We have seen this at work in dramatic form in the resistance of half the world—most non-Western countries—to supporting Ukraine in its war against Russia. Only around 30 are imposing sanctions against Moscow. Yet another more menacing measure of multipolarity reflecting the growing group of multiplayers, as described in Ashley J. Tellis’s book *Striking Asymmetries*, is the possible proliferation of nuclear weapons. If Iran secures a nuclear weapon, Saudi Arabia, the United Arab Emirates, Turkey, and Egypt will all likely seek to go nuclear. And as China’s nuclear weapons arsenal expands from around 400 warheads to more than 1,500 by 2035, South Korea and Japan will need more definitive assurances from the United States if they are not to become nuclear weapon states in their own right. Perhaps more worryingly, an India increasingly worried about China’s growing power is looking to acquire reliable thermonuclear weapons designs, given that its most reliable weapon has a yield 100 times smaller than China’s. All this risks a different kind of domino effect in the form of a deepening relationship between a Pakistan seeking more lethal nuclear weapons and China.

Mainly as a result of the move away from neoliberalism and unipolarity, from one hegemon and one hegemonic worldview, a third seismic shift is underway. The hyperglobalization that characterized much of the last 20 years is being superseded by a new kind of globalization. It is not deglobalization, for trade is still growing (not at twice the rate of the world economy, as before, but keeping pace with it). In fact, global merchandise trade hit record levels in 2022. It is not even “slowbalization”—globalization at a snail’s pace—as global supply chains in digital services grew by an average of 8.1 percent annually between 2005 and 2022, compared with 5.6 percent for goods. Global exports of digital services reached \$3.8 trillion in 2022, or 54 percent of total export services. As professions such as accountancy, law, medicine, and education are unbundled, many of the technical services that are now capable of being delivered from any part of the world will, like call center work, be offshored. “Globalization-heavy,” the presumption that globalization through trade would make your country’s citizens better off, has been superseded by

“globalization-lite”—that restrictions on trade may be a better guarantee of protecting national living standards.

There is a common thread underpinning all three seismic shifts and which appears to bring together these new developments: It is a resurgent nationalism best reflected by the country-first movements worldwide. Even Biden’s “Buy America” label, a watered-down version of the “America First” label of the Trump years, does not seem to dilute this economic nationalism.

It is a nationalism characterized not just by more border controls, more customs duties, and more immigration restrictions but by tariff wars, technology wars, investment wars, industrial subsidy wars, and data wars. Globally, we are seeing more civil wars (around 55 in number), more secessionist movements (around 60), and more walls and fences physically separating countries (70 as of 2019, more than quadruple the number in 1990).

This resurgent nationalism is expressed in an even more aggressive way. More and more governments and peoples are thinking in terms of a struggle between “us and them”: insiders versus outsiders. This new focus on a narrow and not enlightened self-interest has come at the expense of international cooperation at precisely the moment it is most needed to deal with global challenges.

Fragmentation comes at an economic cost, too. WTO researchers have estimated that a “one world, two systems” future with reduced international trade and diminished benefits from specialization and scale would cut real incomes by at least 5 percent in the long run. Low-income countries would suffer even more, with a 12 percent fall in incomes, undermining any hopes of their convergence with middle- and higher-income economies. The IMF has done a similar study, suggesting that global losses from trade fragmentation could range from 0.2 to 7 percent of GDP. The costs may be higher when accounting for technological decoupling. Consider this: Whereas trade between the United States and the Soviet Union remained at around 1 percent of both countries’ total trade in the 1970s and ’80s, trade with China today makes up 16.5 percent of United States’ and about 20 percent of the EU’s imports, respectively.

THE GEOPOLITICAL FALLOUT from these seismic changes gives us a world in flux—or worse, one that is fracturing and in danger of breaking up. The old global architecture that gave us fixed allegiances and unbreakable alliances is under strain. A new global pathway is being laid, and old alliances are being reassessed, with the notable exception of an expanded NATO through which the United States has, to its credit, brought trans-Atlantic security cooperation back to life. The G-7, not the G-20, is now seen by Sullivan as the “steering committee of the free world.” But that leaves a G-180+ feeling unimpressed



and unrepresented. And with other long-enduring relationships under strain, the geopolitical landscape is strewn with ragged, overlapping, and competing arrangements. Without any new plan to bring people together, we face a decade of disorder before the cement will set.

Already countries released from the unipolar straitjacket are enjoying and making a virtue of their distance from the great powers, practicing what the Singapore-based scholar Danny Quah calls “Third Nation agency”—not only breaking free from traditional loyalties and partnerships but creating new and often transitory alliances. Jared Cohen at Goldman Sachs has described these countries as “swing states” whose allegiances are blowing in the wind. They prefer to form what Samir Saran, the president of India’s Observer Research Foundation, has labeled “limited liability partnerships,” which in their own right are a different form of what political scientists are calling minilateralism, where a group of states get together not to pursue long-term shared goals but short-term economic or security interests.

Take India, now governed by a leader subscribing to Hindunationalism, authoritarianism, and religious intolerance. But as India’s and America’s shared values—support for democracy and religious freedom—have grown weaker, the two countries’ shared material interests, particularly in relation to China, have for now grown stronger. Even while fearful of China’s growing influence in Asia, Indian Prime

Minister Narendra Modi is playing the United States and Russia off each other, making them battle for the country’s arms contracts and favorable trade deals.

Then there’s Indonesia, where resource nationalism is on the agenda as Jakarta takes control of its main mineral asset—nickel. However, Indonesia’s resource nationalism also means pitting the main purchasers of not just its nickel but its copper and other minerals against one another. Or consider the Middle East, where countries such as Saudi Arabia and the UAE are taking advantage of a U.S. pivot to the Indo-Pacific by exploiting the very different interests of the United States, China, and Russia.

But one-off trade and security deals and playing friend against foe will only get countries so far. Their economic future depends more on a stable international system than on ad hoc and opportunistic deals that suit the conveniences of the moment. Each country for its own different reasons needs a new multilateralism, not an old opportunism.

Africa has a new bargaining power, too, derived not just from mineral resources but untapped markets and labor pools, and the recognition that our climate crisis cannot be met and mastered without its involvement. Bringing Africa closer to the heart of a reformed multilateral system—a bigger role in the G-20, enhanced representation at the World Bank and IMF, the beneficiary of new climate finance—is a better and more durable answer than forcing countries across the continent to choose between China, Russia, and the United States.

Indeed, each of these blocs would benefit from multilateral coordination through the international institutions, as would Europe. Every European country has a reason, if a different reason, for wanting to maintain trade with China: Germany to sustain its manufacturing exports, France to further its ideas of strategic autonomy, Eastern Europe because of its dependence on the Belt and Road Initiative, and the Iberian countries because of their links with Latin America, which does not want to break with its biggest trading partner—and so Europe does not want to end up squeezed between the United States and China. And with the United States needing Europe to moderate China, and China needing Europe to moderate the United States, Europe is in a stronger position to champion multilateralism than perhaps it realizes.

IT IS NOT JUST IN THE INTERESTS OF AFRICA, the Middle East, and Europe to promote a more stable multilateralism. To be more effective globally, the United States must start by losing its bias against the international institutions it created and has led. Why? Because the lure of the old version of Pax Americana is no longer strong enough to entice the rest of the world to respond to U.S. power. But a new multilateralism with the United States in the lead could. If that were not reason enough,

China's Global Security Initiative should be a wake-up call for Washington, summoning it to reach beyond bilateral and regional initiatives.

I have found over the years that even when reforms have been urgently needed to recognize, for example, the rising economic strength of emerging countries on the boards of the IMF and World Bank and to recapitalize these institutions, the United States has had a habit of dragging its feet. Too often, Washington has been silent as calls have grown even from its closest allies such as the U.K. to update global institutions or end stalemates at the U.N., and the reason for this is almost certainly the survival of a unipolar mindset long after it has become anachronistic and even naive. Today, the United States lacks the power it had in the past to direct these unreformed institutions through the back door when, as most members are painfully aware, the institutions cannot flourish without fundamental reforms upfront.

Consider this: It is because the United States is too often trapped in the old mindset of the unipolar era that it walked away from the very trade agreement—the Trans-Pacific Partnership—that the Obama administration forged to contain China. It is indeed an irony that the group the United States envisioned to exclude China is now under pressure to bring China on board. It makes sense for an America that has pivoted to the Pacific to be part of the continent's biggest trade partnership; however, it continues to give the impression that it will not join any club it does not create and control. And that same unilateralist mindset led to the botched Afghanistan exit that was ordered without any substantive consultation with the allies that formed the Afghan coalition.

The United States is selling itself short. The country that led a unipolar world can still lead in a multipolar world, not by issuing orders to its fellow countries as if they were vassals but by persuading them as allies. Only through the power of cooperation can we square the circle whereby the United States champions a multilateral order and enlists countries to stand with it. If Washington can no longer successfully impose, it can successfully propose. And if it does so, the United States—the country that most of the world still looks to for leadership and wants to continue to do so—could and would be the only country able to rally a majority of the world around a rejuvenated multilateralism: global solutions to global problems through global institutions.

Two conclusions follow. The United States has to build alliances worldwide, taking time to bring countries on board. Benign neglect is an innocent explanation for the problem. For example, in the last 100 years U.S. presidents have visited fewer than two dozen of Africa's 54 countries. We must find common cause with them by listening to them as equals and not labeling them and viewing them through the hackneyed lenses of old. We need to think of a world where the

West cannot just lecture developing economies but instead have to sign up as partners in a common set of global causes.

And second, if the United States renewed its historical support for the global institutions that it played a major part in creating, China's bluff would be called. It would force Xi to either defend the international order—which includes support for the U.N., IMF, WTO, and WHO—or admit that his Global Security Initiative is founded on propaganda, not truth.

THE FATE THROUGHOUT HISTORY of “new world orders” can largely make for depressing reading.

The new world orders of 1815, 1918, and 1945 show that changes in the global architecture tend to happen only after a war or breakdown. Indeed, 1990 was hailed by U.S. President George H.W. Bush as the start of a “new world order” as the Cold War ended. In reality, it was a turning point when history did not turn in a sufficiently decisive way. You could argue that Germany wanted German unity and was thinking only of Germany; that France wanted to contain Germany through European unity and was thinking only of France; and that the United States wanted to maintain NATO and its leadership of it and was thinking only of the United States. A humiliated Russia was never brought into the new world order. And little thought was given, at this moment when change was on the agenda, to the future role that China, India, and the developing world would play.

The existential challenges that we now face—starting with climate change and the seismic shifts we are living through—are creating a rare global moment when the bedrock shifts beneath our feet and the international architecture has to be remade once again or it shall wither. The international architecture assembled in the 1940s must be reimagined for the needs of the 2020s, when in a more economically integrated economy, a more socially interconnected and geopolitically interdependent world, every country's independence is qualified by global interdependence. We may not be able to build a wholly new Parthenon, but we must find a way to avoid camping out in the ruins of an Acropolis. To avoid that, change must follow.

In a world in which financial contagion is always a risk and where global supply chains link countries and continents like never before, we cannot view countries the old way—as nations sufficient unto themselves—but as part of a web of networks and relationships where the spillovers from one can have devastating effects on others. So, the IMF can no longer be the body that waits to act when individual nations hit balance-of-payments crises but must be in the business of crisis prevention as well as crisis resolution. And to forestall future slumps, its global surveillance arm will have to be strengthened, in concert with the Financial Stability Board and the Bank for International Settlements,

to undertake the monitoring and reporting of all risks that threaten the world economy.

The World Bank has to become a global public goods bank focused on both human capital and environmental stewardship. And given that the World Bank will need resources of around \$450 billion a year—three times its current outlays—to perform these roles, its dynamic new president, Ajay Banga, will need U.S. support in the process of reform. What is more, shareholders must agree to allocate more capital to reforms such as the merger of the bank’s low-income and middle-income facilities, to innovations in its use of guarantees as well as loans and grants, and to see the bank as a platform for mobilizing private sector investments.

From the 1940s to the 1990s, the WTO worked by consensus and through often painful negotiations and uneasy compromises. Since the neoliberal reorganization of the WTO in the mid-1990s—and for the first time for 50 years—no world trade deal has been possible. And under its widely respected director-general, Ngozi Okonjo-Iweala, a greater focus on diplomacy and a reformed appeals system will be essential to deal with the least regulated areas of trade: in services, data, and information technology generally. And a new international framework will have to be developed to deal with the regulatory and ethical issues raised by the dangers of a free-for-all in artificial intelligence as well as the internet.

THE UNITED STATES COULD WIN THE BATTLE WITH CHINA BUT IN DOING SO LOSE THE WAR FOR SUPPORT WORLDWIDE.

In the aftermath of COVID-19, no one who looks seriously at WHO—which has a budget equivalent to three medium-sized U.S. hospitals—can now underestimate the imperative for adequate funding to confront an ever-expanding list of risks. The G-20 needs to become more representative of the other 175 states, develop a proper secretariat so that it exists between annual meetings, and pay more attention to interlocking crises in the poorest parts of the world.

And the United Nations must evolve. As long as Russia holds a veto on all issues, including punishing war crimes, genocide, and crimes against humanity within the exclusive Security Council, the whole organization can be frozen into inaction. If we cannot reform the Security Council by reducing or eliminating the power of the veto, the United States should encourage the U.N. General Assembly and its 193 members to take a more responsible leadership role.

At the least, under the diligent leadership of U.N.

Secretary-General António Guterres, we can achieve reforms to the peacekeeping work of the U.N. and build a better way of delivering a humanitarian aid budget that, for the increased number of refugees and displaced people worldwide, requires \$41 billion a year and never receives more than half of what is needed. A starting point would be Washington proposing and championing a burden-sharing agreement to adequately finance climate action, pandemic preparedness, and humanitarian commitments. In particular, at this year’s U.N. Climate Change Conference in Dubai, the Middle Eastern petrostates that have benefited from massive windfall profits should join historic and current carbon emitters in financing the mitigation and adaptation necessary in low- and middle-income countries.

A U.S. agenda for reforms such as these could put multilateralism back on track. Scholars of international relations often talk of the Thucydides trap, where a rising power takes on an entrenched hegemon just as Athens took on Sparta in the fifth century B.C. But it is often forgotten that Sparta did not lose out because of the power of Athens, which it actually defeated in that war. Sparta lost years later as states smaller than Athens destroyed its hegemonic power.

There is a lesson here for a United States whose attention is increasingly focused on China. For a while, its capacity to out rival its biggest competitor can be calculated and proved.

What is less under the microscope is the fallout from the loss of U.S. influence in Africa, Asia, Latin America, and the Middle East. The United States could win the battle with China but in doing so lose the war for support worldwide.

Far better for the United States is to take the lead in rebuilding the global order, and here it has the best possible hand. If Washington were sufficiently bold in confronting global problems

that need global solutions, then it would not need to obsess so much about Beijing’s increasing influence. Instead, China would be faced with a defining choice: either work with the United States, as it says it wants to, or be exposed for talking about international cooperation and the importance of global institutions while only being interested in a “China first” policy. Today, it looks as if China has the interest needed to be a global beacon but not the values. America has the values but not, as things currently stand, sufficient interest. Values don’t change overnight, but interests can. It’s your move, America. ■

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