

RIS Discussion Paper Series

# What Ails Global Multilateralism: Prognosis and Way Forward

Augustine Peter

Discussion Paper # 255



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Core IV-B, Fourth Floor, India Habitat Centre  
Lodhi Road, New Delhi – 110 003 (India)

Tel: +91-11-2468 2177/2180; Fax: +91-11-2468 2173/74

Email: [dgoffice@ris.org.in](mailto:dgoffice@ris.org.in)

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# What Ails Global Multilateralism: Prognosis and Way Forward

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Augustine Peter\*

**Abstract:** Global multilateralism is under siege and is in urgent need for reform. The inadequate success of multilateral institutions in fulfilling their objectives and the absence of transparency in operations have been matters of grave concern. Inadequate representation to nations of current geopolitical and economic and military power equations has worsened the situation. The US-China rivalry on the international stage adds to the raging discontent.

The arrival of Covid-19 pandemic has brought the inadequacies of the global multilateralism into sharp focus. The conduct and performance of the WHO during the emergence and spread of the crisis is under scrutiny. The G20 response to the pandemic was also seen to be inadequate compared to the coordinated and effective response at the time of the global financial crisis of 2008.

Unilateralism has gone too far and has been tasting success. It may be time for multilateral forces to assert. G20, as the most representative international grouping of major countries, has a major role in restoring the credibility of multilateralism. A permanent solution will require emphasis on the critical role of multilateralism and a powerful counter narrative to unilateralism.

The weaknesses of the multilateral system have been further exposed by the Covid-19 pandemic and this provides an opportunity for the G20 to address the issue with a sense of urgency. India can use its presidency in 2022 to take this campaign forward, and hopefully, nearer to a conclusion.

**Keywords:** Global multilateralism, Unilateralism, Covid-19, Reform, G20, UN, WHO, WTO, Breton woods institutions

## Introduction

While the term multilateralism is broadly used in contrast to bilateralism, the concept of regional multilateralism has also gained currency with the formation of a large number of trade groupings, in particular, mainly on regional basis. Global multilateral institutions originated with the League

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of Nations post World War I (WW-I). The post-World War II (WW-II) group of global multilateral institutions under the aegis of the United Nations has near universal membership. The World Health Organisation (WHO), International Labour Organization (ILO) etc. are part of the set of global multilateral organizations. The Bretton Woods Organisations – World Bank and IMF – and the General Agreement on Tariffs and Trade (GATT), 1947 emerged as prominent global multilateral organisations. The changeover of the GATT, 1947 to the World Trade Organisation (WTO) in 1995 was smooth.

Multilateralism as such one doesn't find: it is multilateral institutions that one comes across. The strength, utility and acceptability of multilateralism is based on the strength, utility and acceptability of multilateral institutions. The United Nations (UN), including the UN Security Council (UNSC) is the most prominent of the multilateral institutions. UN has near universal coverage. The major test of the success or failure of multilateralism would, naturally, veer around the UN. Over the last 25 years WTO became one of the symbols of global multilateralism largely because of its effective dispute settlement system.

This paper discusses the UN and the World Trade Organisation as the leading lights of global multilateralism, their origin and the difficulties they face and the reform they need. The World Health Organisation (WHO) at the core of managing global health is equally important. The recent Covid-19 pandemic has brought in sharp focus the weaknesses of organized global multilateralism. G20 was formed in 2008 as an informal grouping represented by the heads of states/governments of world's most prominent countries as well as the EU as members. It is not a formal grouping and does not have a secretariat. Each year there is a new presidency, and the presidency acts as the secretariat for the period. India assumes presidency in 2022.

**Part I** of the paper deals with the UN system as the core of multilateralism: it also looks at the weaknesses and deficiencies of the UN institutions. **Part II** deals with trade multilateralism, the role of WTO and the challenges faced by the multilateral trading system and reviews

the status. **Part III** briefly analyses what is behind the current failure of Multilateralism. **Part IV** focusses on the COVID-19 pandemic and the failure of multilateral institutions to adequately address the crisis in a united manner. Even the G20 did not rise to the occasion. **Part V** explores the possibility of turning the pandemic crisis into an opportunity for a new multilateral order. G20 has a major role. **Part VI** is Conclusions and the Way forward.

## **Part I: United Nations as the Core set of Global Multilateral Institutions**

The UN Charter was signed on 26 June, 1945 by the representatives of 50 countries<sup>1</sup>. UN has been under criticism ever since its inception, primarily centered on its structure, representation, efficacy in enforcing decisions and on account of its perceived ideological bias. The World Economic Forum summarised why multilateralism is in such a mess today as follows: (i) disillusionment with globalisation, (ii) lacklustre narratives in support of multilateralism and (iii) the inadequacy of existing multilateral rules to meet new challenges<sup>2</sup>. It is easy for political parties to gain power attributing all the ills of the country to globalization; it's equally convenient for incumbent governments to retain power, blaming globalisation for all the ills like unemployment and inequality. The narrative in support of multilateralism is not convincing. Those disillusioned with globalization cannot be consoled by the 'the planet first' argument as orchestrated by President Macron and others. While the world is changing fast, the multilateral institutions are fossilised in the long past. Discontent is as if congenital. Clamour for reforms started as soon as the UN system was launched. Reform proposals continue to pour in without any consensus emerging on any of them.

From the very beginning the major allegation against the UN was that its aim was to establish a global government, usurping into the sovereignty of individual countries. World leaders like Charles De Gaulle preferred defense treaties between countries rather than a global alliance like the UN.<sup>3</sup> While there are instances in the initial years of

the UN when intervention by the UN Secretary General resulted in the resolution of the highly charged situations like the Cuban Missile crisis, the effectiveness of the UN system in many crucial situations has not been that promising. The way world handled Covid-19 pandemic and the role of the UN and UNSC as well as the WHO in this regard is the most recent example.

The issues raised against the UN, the principal multilateral institution, include: (i) the need for permanent seat at the UNSC, the need to expand the membership of the UNSC, further categories of UNSC membership, or a mix of all of these; (ii) absence of democracy and transparency in decision making, especially in the UNSC, where the permanent members are apprehended to come to an understanding and expect the others to toe the line. The non-democratic or oligarchic character of the UNSC has come under sharp criticism, as there is no separation of powers which is an essential ingredient of a democratic system. UNSC makes law, enforces them and sits in judgement on them as well; and (iii) the lack of effectiveness is a major weakness of the UN.

The UN has six principal organs and a number of specialised agencies, including the World Bank and the International Monetary Fund and the World Health Organisation. The challenges faced by each one of them have some commonality: the reluctance of nation states to cede a 'portion' of sovereignty. UN system is seen by many as an attempt to eat into the sovereign authority of nation states. The UN Charter mandates<sup>4</sup> it to maintain international peace and security. It also mandates it to enforce peace by taking preventive or enforcement action. However, in reality the permanent members of the UNSC themselves have been noticed to block the UN from carrying out this mandate. The required unanimity of views among the five veto power countries is difficult to reach and naturally the Security Council's ability to enforce peace or prevent adverse action has been limited. An avoidance of the Cuban Missile Crisis may be a rare incidence and is attributable to the stature and influence of the Secretary General<sup>5</sup> of the UN at that point of time.



However, the role of UN multilateral institutions in providing peace during the last 70 years is no mean achievement. The number of wars and conflicts avoided, the number of people lifted above poverty line, epidemics like malaria and tuberculosis that have been contained, the broad economic stability and trade flows over the past seven decades etc. owe a lot to the multilateral institutions. Multilateral institutions are all the more needed now because of the emerging role of digitalization, making the world more and more one. Artificial intelligence and genetic engineering do not just pose challenges and open up opportunities: they also bring the world together as one unit. At the same time they also raise political and ethical issues which have international dimensions and which necessitate multilateral responses. The very origin and raison d'être of multilateral institutions was to ensure peace and tranquility in the world.

### **The United States And Global Multilateralism**

The US was never a whole hearted supporter of multilateralism. Even though President Woodrow Wilson, French Prime Minister Georges Clemenceau and British Prime Minister David Lloyd George were instrumental in the signing of the Treaty of Versailles, the US did not join the League of Nations, which was one of the major reasons for its eventual failure. Later, post WW-II, the US Senate refused to ratify the Havana Charter in the mid-1940s which resulted in the International Trade Organization (ITO) being still born, leaving only the formation of GATT, confined to rules on goods trade. The US Senate, in October 1999, refused to ratify the Comprehensive Test Ban Treaty (CTBT), which President Bill Clinton had signed in September 1996. Kyoto Protocol, the International Criminal Court, the Ottawa Treaty, etc. were rejected under the George W. Bush Administration. Similarly, the US under the same administration exited from the Anti-Ballistic Treaty signed by the Richard Nixon Administration with the Soviet Union in 1972. The US also exited the Paris Agreement in the very recent past.

The US has been maintaining and enforcing for long Section 301 of the U.S. Trade Act of 1974 which authorises the President to take unilateral action to obtain the removal of any act, policy, or practice of a foreign government that violates an international trade agreement or is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce

In the recent years the US has been particularly peeved with the international trading system as it exists. It has been feeling that the international trading system as enshrined in the Marrakesh Agreement, and enforced through the WTO, is unfair and is tilted against the US interests and in favour of China and other major developing countries. The responsibility for job losses at home is placed at the door steps of WTO by the US Administration. The Appellate Body of the WTO Dispute Settlement System remains paralysed since the end of 2019, with the unwillingness of the US to allow judges to the body being appointed. The US feels that the Dispute Settlement Body (DSB) is exceeding its legitimate brief and that the decisions of the Appellate Body do not have precedence value.

The arrival of President Trump at the helm has led to the hardening of unilateralism by the US. Being the largest contributor to the UN and related Organisations the US tends to flex its muscles by threats of reduction or even stoppage of funds. Thus in 2017 and in 2018 respectively the US withdrew from the United Nations Educational, Scientific and Cultural Organization (UNESCO) and United Nations Human Rights Council (UNHRC). In 2020 the US threatened to stop all funds to the WHO. However, while the US is trying to discipline these institutions with threats to reduce financial support to multilateral institutions the Peoples Republic of China is easy on its purse and tries to cement its position of power in these organizations. In WTO, for example, currently one of the Deputy Directors General belong to China and the only Member of the Appellate Body too is from China.

The US has been pursuing bilateral deals<sup>6</sup> with countries that matter, in the process ignoring the global multilateral systems. Thus the US has

preferred to enter bilateral trade deals with high intensity liberalisation rather than go through the cumbersome route of the multilateral process which they feel got stranded after the Doha Ministerial. As soon as the Trump Administration took charge the US quit the Trans Pacific Partnership (TPP) and re-negotiated NAFTA with Canada and Mexico, with provisions loaded in favour of the US. This was followed up with the trade restrictions on PR China, which still continues in some measure. The unilateral withdrawal of tariff preferences under the GSP to India was also in the recent past. The US has been successful in arm-twisting other trading partners as well.

### **Exodus from Multilateral Institutions**

Sangiovanni (2018)<sup>7</sup> has recounted the recent accelerated exodus from multilateral institutions when she referred to South Africa being the first country to announce its formal withdrawal from the International Criminal Court (ICC). This was followed by the exit of Burundi and Gambia and by Russia's announcement of its intention to withdraw from the Rome Statute, which establishes the ICC. The Court has already been hampered since its inception by the refusal of major states such as the US, China and Russia to submit to its jurisdiction. The slow acceptance of Additional Protocol safeguards under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and the failure of Annex 2 countries to ratify the Comprehensive Treat Ban Treaty undermine multilateralism. The exit of Uzbekistan from the Collective Security Treaty Organization in June 2016 was a jolt to multilateralism in the recent years. It is no news that NATO leaders are seriously concerned about the US attitude towards NATO. And the G8 is no more 8 but it is only the G7. Sangiovanni (2018) also looks with concern at the rise in the frequency of the use of UNSC vetoes which were at a historic low during the 1990s and which is once again on the rise. Fewer multilateral treaties are being signed and ratified, and the implementation of existing treaties is poor. It is also noticed that states are increasingly rejecting oversight of treaty obligations and monitoring of compliance by multilateral organisations. It is correctly noted by her that if the second half of the 20th century was the age of

integration in terms of nations pooling sovereignty for achieving common objectives, the 21st century can be termed as an age of drifting apart.

## **Part II: Trade Multilateralism**

The importance of multilateral rules in promoting global trade and global GDP has been quantified by the World Bank according to which a global free trade agreement “could add \$5 trillion to the world’s GDP by 2020, \$3 trillion of which would go to developing countries. And by the close of this century, such a deal could increase GDP by more than \$100 trillion, with most of the gains accruing outside developed nations.”<sup>8</sup> The World Trade Organisation (WTO) has emerged as the most visible face of global multilateralism.

Established in 1995, as successor to the General Agreement on Tariffs and Trade (GATT), 1947, the primary role of the WTO is to administer multilateral trade rules that have been agreed upon by Members at Marrakesh and subsequently, so as to ensure that international trade is fair, smooth and efficient. This is ensured by the provisions for Ministerial Conference, the highest decision making body that meets generally once in two years, the General Council, different Councils and Committees. Trade Policy Review Mechanism, a peer review process, is an integral part of this mechanism. Administering and monitoring the trade policies of member states and ensuring compliance to the agreed rules has been an area of concern for some Members for long. Notification requirements are the major concern. The main target is obviously China’s subsidy programmes. There have been proposals by the US and EU, in particular, for imposing penalties for non-compliance.

And secondly, the WTO acts as a forum for trade negotiations. Negotiations inbuilt in the agreements negotiated during the Uruguay Round have to be completed. New rules need to be evolved and the old ones need to be reformed based on the evolving economic environment. Technology and modes of production are fast evolving. Accommodation of new realities of economy and commerce becomes a necessity. WTO is a forum which is constantly engaged in liberalization of trade rules.

And this is achieved through rounds of negotiations. Trade negotiations are conducted through different rounds. During GATT 1947 there were eight rounds of negotiations, the last being the Uruguay Round of Trade negotiations. Under the WTO only one round, viz. the Doha round was mandated. Doha round was launched as a development round in 2001. However, it is considered to have been effectively abandoned in 2015.

Following from the first two roles, and as a necessary corollary to them, is the third one – the role of WTO as a dispute settlement forum. The WTO emerged over the past few years as the most effective multilateral organisation largely due to its effectiveness in taking and enforcing decisions favouring the smallest member (economy) in the world against the most powerful one. While GATT envisaged positive consensus for adopting decisions on disputes, WTO rules provide for negative consensus. A member of WTO can at best delay a decision against it for a few days. But unless it is able to carry all the WTO Members with it, it cannot block a decision of the dispute settlement body against it. And the US appears to call into question this very provision in the WTO rules. The US gives the impression that it wants to go back to the GATT days when it was nearly a ‘free for all’.

It has been argued that many of the current concerns raised by the US pre-date the Trump administration and that these are shared by some of the other WTO members as well.<sup>9</sup> These, in particular, include issues related to procedural aspects like not respecting the 90-day deadline for issuing rulings and the issue of the continued service by Appellate Body members on cases that continue after their terms have expired. Of late concerns have also been raised about ‘judicial overreach’ by the Appellate Body. With the departure of the Chairman of the DSB in December 2019, the Appellate body has come to a standstill. The dispute settlement process in WTO is no more in place in that sense.

At Davos, on the sidelines of the World Economic Forum (WEF), a group of Ministers agreed<sup>10</sup> to work towards putting in place contingency measures that would allow for appeals of WTO panel reports in disputes among WTO members, in the form of a multi-party interim appeal

arrangement based on Article 25 of the WTO Dispute Settlement Understanding. It was also stated that this would be in place only and until a reformed WTO Appellate Body becomes fully operational. And the arrangement would be open to all WTO Members willing to join it. This would involve a plurilateral agreement providing for appeal arbitration in all cases of appeal from a final panel report<sup>11</sup>. There would be a cloning of the provisions of the DSU on appeals along with incorporation of the agreed working procedures for appellate review. It has also been visualised that the Director General of the WTO will be authorised to select the arbitrators from among former AB members.

All three of the WTO's functions are under pressure and in need of reform. The main problem faced by WTO members endeavouring to arrive at a solution to the problem is the non-engagement of the US. US has gone ahead with unilateral action as regards trade rules and has consistently blocked appointment of Appellate Body Members.

While the WTO is a continuously negotiating body, hardly any progress has been achieved on this front since its inception. While a large number of developing countries and LDCs have been looking for development dimension in the already scheduled negotiations, the interests of some of the developed countries have been on new issues being introduced into WTO negotiating agenda. Trade facilitation and ITA-1 and ITA-2 are the only success stories. Negotiations mandated under the Marrakesh single undertaking has not progressed. The Doha Round of negotiations was finally launched in 2001 largely with this in mind. While there was already overall balance of rights and obligations of WTO Members as per the Marrakesh agreements, some Members were bent on introducing new issues on the agenda, obviously to tilt the balance of advantage in their favour. The inconclusive Cancun Ministerial (2003) and finally the the July Package (2004) resulted in three of the new issues<sup>12</sup> viz. Investment, Competition policy and Transparency in government procurement being dropped from the Doha agenda. And alas in 2015 it is believed that the whole Doha round has been (informally) abandoned. And moves were afoot for introduction of new issues on the

agenda of WTO. Thus in 2017, at the Buenos Aires Ministerial conference some groups of members agreed to start negotiations on certain subjects (four subjects, viz., domestic regulation on services, electronic commerce, investment facilitation for development, and micro, small and medium-sized enterprises) using the plurilateral route. Some 76 WTO members decided to launch talks to negotiate rules on ecommerce on the sidelines of the World Economic Forum in January, 2019, at Davos. It was also clarified that the WTO Members who did not participate in the process could join at any later stage and that any negotiated deal<sup>13</sup> would be available to all the WTO Members on a MFN basis. The experience with ITA 1 and ITA 2 is also referred to in this context. The G20 has been divided on the expansion of the WTO agenda for negotiations. At the G20 Summit at Osaka G20 Members, excluding India, South Africa and Indonesia supported launching talks in WTO on free cross-border flow of data.

Administering and monitoring the trade policies of member states and ensuring compliance have been areas of concern for some Members for long. Laxity in compliance of notification requirements are a major concern. The main target is obviously China's subsidy programmes. There have been proposals by the US and EU, in particular for imposing penalties for noncompliance.

Graduation of so called 'self-designated' developing countries to developed country status so that they cease to avail of the Special and Differential Treatment (S&D) provisions in WTO Agreements is another area of conflict. It has been pointed out that 10 out of the 20 G20 Members (19 countries plus EU) are 'self-designated' developing countries in the WTO. The target again is China, and also India. In the meanwhile South Korea and Brazil have declared that they would not avail of the S&D provisions under WTO agreements.

Consensus based decision making is the hall mark of WTO. This has resulted in the smaller countries also enjoying more or less equal role in decision making in WTO. This is unlike the UNSC, for example, where the whole show is run by five permanent Members, who effectively

‘self-selected’ themselves as permanent Members of the Security Council with veto powers. Thus the Republic of China (Taiwan) was conferred permanent seat with veto power when UNSC was established. And Taiwan had to vacate, rather it was forced to vacate, its permanent seat in the UNSC and the membership of the UN in 1971 in favour of the Peoples Republic of China (PR China) as more and more countries recognized the latter and not Taiwan. This change over was orchestrated by the United States. And Taiwan’s UN campaign since 1993 has remained unsuccessful. In practice it has been noticed that with their veto power these five permanent members eventually determine important decisions by the UN Security Council.

The developing country perspective on the WTO reform, has been articulated by a group of developing countries including India in a concept paper.<sup>14</sup> WTO members like Cuba, South Africa, Bolivia and Zimbabwe have submitted the concept paper highlighting areas of reform with a view to strengthening the multilateral trading system. The rationale for continuation of the special and differential treatment (S&D) for all developing members has also been presented in the paper. The concept paper notes that the preamble to the Marrakesh Agreement establishing the WTO recognises that international trade is not an end in itself, but a means towards ‘raising standards of living and ensuring full employment’. WTO rules have constrained the policy space of developing countries. While the TRIPS rules have facilitated monopoly rents, and diminished the possibility for technology transfer, the TRIMS Agreement has disallowed local content requirements. The Subsidies Agreement makes it difficult for developing countries to nurture their industries. On the other hand the advanced countries are able to continue to provide substantial support to their high-tech, knowledge-intensive industries. The Agreement on Agriculture allows developed countries to continue their high subsidies on agriculture products, including those exported to developing countries. The lack of inclusiveness and transparency in the process of WTO negotiations compounds the problem. This group of developing countries has made it clear that ‘WTO reform’ does not



mean accepting either inherited inequities or new proposals that would worsen imbalances. Besides, the WTO is now confronting immediate existential crises in the form of the resort to unilateral measures and the impasse in the Appellate Body (AB). Reform, in fact, is urgent and immediate in these two areas.

The European Commission (EC) has been a major votary of multilateralism and has always tried to bring a set of possible solutions on all major issues in WTO. EC has released a concept paper on the modernisation of the World Trade Organization (WTO)<sup>15</sup>, with the objective to ensure that the international trading system evolves ‘in sync with current economic, political and technological changes’. Three major suggestions were presented in the concept paper: (i) reform of multilateral trade rules, to reflect the current realities of the global economy; (ii) reforming and strengthening of the monitoring system of WTO so as to ensure that Members are compliant with their commitments; and (iii) addressing the deadlock on the WTO dispute settlement system which requires urgent attention.

Thus the EC paper advocates curbing market-distorting government support and the distortive effects of state-owned enterprises; consideration of the issue of market access barriers to services and investments, including the discriminatory treatment of foreign investors, forced technology transfer and barriers to digital trade. As regards the issue of Special and Differential (S&D) Treatment to developing countries the paper advocates for a review of the current practice of distinguishing between developing and developed countries, which does not take into account the rapid growth of some of the developing countries. The Concept paper argues for substitution of blanket flexibilities to developing countries with mechanisms of ‘graduation’. S&D Treatment (SDT) should be targeted, needs-driven and evidence-based. The paper also supports ‘plurilateral’ agreements in areas where multilateral consensus is unattainable.

With a view to addressing the stalemate in the Appellate Body the EU and other 18 countries, including Australia, Brazil, Canada, China,

Mexico, New Zealand, Pakistan and Singapore, came out with a Multi-Party Interim Appeal Arbitration Arrangement (MPIA)<sup>16</sup> based on Article 25 of the Dispute Settlement Understanding (DSU). India has not come out in support of this proposal. While this could be helpful in respect of some of the current cases pending before the DSB and some of them pending appeal in the absence of the Appellate Body, in the long run multilateral trading system is in the interest of India and, therefore, it is felt that India should throw her weight behind this proposal. India should exercise her swing power on this issue.

All the issues raised above on the reform of the WTO are complex and need ‘give and take’ on the part of WTO members. The US has been taking an extreme stand and has also been hardening its stand against WTO. It has been ignoring the WTO rules by acting unilaterally while dealing with China and other countries. US is not even willing to enter into any dialogue on the issue. The EC, on the other hand, is sounding conciliatory. Hardened stands won’t take the multilateral trading system anywhere. At the first meeting of the Trade and Investment Working Group held on March 8-9, the Riyadh Initiative on the Future of the World Trade Organization was launched, based on the consensus and support of all members. The G20 initiative under the Saudi Presidency provides an opportunity which needs to be seized by the friends of multilateralism.

### **Part III: What is behind the Current Failure of Multilateralism?**

The emergence of multi-polarity, with the disappearance of the bipolar world and the end to cold war, is seen as one of the major reasons for the present state of affairs. The US continued to remain an economic and military super power, faced with a disintegrating Soviet Union. The Russian Federation under President/Prime Minister Putin is still not a challenge to the US. However, the rise and rise of China as a trade, technology, financial and military power, and the US efforts to contain its emergence on the global stage is creating tensions in many multilateral institutions, literally paralyzing them. The fate of the Appellate Body in

WTO and currently the fate of the WHO with the withholding of funds to it by the US are just two examples. The European Union and other major economic powers like Japan, the UK and India are making their presence felt. The world is effectively tending towards multi-polarity<sup>17</sup>.

Some researchers have highlighted inadequate ‘output legitimacy’ as well as inadequate ‘input legitimacy’ as the reasons for the present state of multilateralism.<sup>18</sup> Many multilateral organisations have failed to deliver, losing their ‘output legitimacy’. The UN is seen to have failed to deliver on multiple fronts, including ensuring peace and stability across the world and on nuclear non-proliferation. WHO has exposed its weaknesses during the current pandemic. This is also true of the WTO, with the implementation of the Doha mandate hanging fire for years now. ‘Input legitimacy’ is also under serious cloud as there is widespread feeling of lack of transparency in the decision making in these institutions. Thus inadequate ‘output legitimacy’ and ‘input legitimacy’ together have caused loss of face and legitimacy for many of these institutions. Naturally confidence and faith in their working have been falling.

Further, multilateralism in its pristine form is highly demanding.<sup>19</sup> It requires compliance with the same or similar rules by every sovereign state who are members, irrespective of size or power. It also entails expectations of ‘diffuse reciprocity’. Members expect that over a period of time and across issues there would be a balance. The concept of ‘single undertaking’ in the WTO under the Marrakesh Agreement is an apt example of overall balance and reciprocity. Once there is growing feeling among more and more participants that there is no balance or that some are always winners and others always losers, cracks develop in the whole system. And this is a major reason for the problems faced by multilateralism currently.

Internal dispute settlement mechanisms are a common feature in multilateral institutions. These are generally binding in modern multilateral bodies and have been found to be too demanding for at least some countries, especially developed ones, which resulted in their withdrawal therefrom.

While the multilateral institutions are gradually crumbling, what is the alternative? Can we be happy with the statement of philosopher Kant in 1795<sup>20</sup> that the choice for the world is either to “find perpetual peace in the vast grave that swallows both atrocities and their perpetrators” or to “give up their savage, lawless freedom... and, by accommodating themselves to the constraints of common law, establish a nation of peoples that (continually growing) will finally include all the people of the earth.”.

#### **Part IV: The Arrival of the COVID-19 Pandemic**

The Covid-19 pandemic has brought the miserable state of multilateral institutions into stark focus. Even while the Covid-19 problem was shaking the whole world, affecting over 220 countries, there was no real effort for coordinated global action either by UN General Assembly (UNGA) or by the UN Security Council (UNSC) for months, partly because China was bent on sorting out its problem own its own in the initial months and partly because of the negative stand of the US.

What does the deadly COVID-19 pandemic hold for global multilateralism? Even as the World Health Organisation (WHO) was working overtime to address the COVID-19 menace in China and elsewhere, there was stunning silence by world leaders on the role of global multilateral institutions. The US President dismissed it as a ‘China virus’. After initial neglect the European countries started taking care of themselves, each one of them. The WHO, the multilateral organization in focus, was seen to be very much in the picture but was faced by a divided world, with sharp accusations against its efficiency and partisanship being raised. Its praise for China’s handling of the pandemic and its alleged slowness in declaring the problem as a ‘pandemic’, in particular, brought the division in the international community into sharp focus. The UN Security Council could not decide if health emergency is a security issue. It never convened for discussing the issue nor has it come up with a Statement or plan of action despite the fact that the COVID-19 has been raging for months, taking heavy toll of lives. The UN General Assembly resolution of 26<sup>th</sup> March, 2020 was seen by many as a mere formality.

The WEF Global Risks Report 2019<sup>21</sup> brought out aptly the state of multilateralism when it noted that global risks are intensifying but the collective will to tackle them appears to be lacking and divisions are hardening. The report highlighted that the growing nationalism of world politics is a deepening risk. It is as though the report had a premonition of the pandemic when it stated that another set of risks being amplified by global transformations relate to biological pathogens. The report predicted that the changes in how we live have increased the risk of a devastating outbreak occurring naturally. It also warned that the world is “badly under-prepared for even modest biological threats, leaving us vulnerable to potentially huge impacts on individual lives, societal well-being, economic activity and national security”. All these premonitions have come true with the arrival of covid-19.

The pandemic has brought into sharp focus the deficiencies in the multilateral institutions as individual nation states respond to the biggest of the global challenges of the last 100 years.

### **Impact of the Pandemic on the Global Economy and Social System**

The pandemic is seen to be the most devastating of all since the 1919 Spanish flue. It is unique in that the entire world is in lock down, in contrast to the interlinked and increasingly globalising world of yesterday. Social distancing has become the norm, nay the mandate. This has serious implications for the individual economies and to the world economy in general. And as in all such situations, it is the poor who are adversely affected most. The unemployed, self-employed, gig workers, informal workers, small farmers, the destitute, the aged and the marginalised sections of the society all of a sudden find themselves abandoned and isolated in their suffering. There has been and continues to be steep fall in trade and investment.<sup>22</sup> National and international transport has been at stand still. Fortunately communication lines are open.

The United Nations Conference on Trade and Development (UNCTAD) in its Trade and Development Update Report has analysed the impact of the pandemic<sup>23</sup> and has noted that the contraction of the

global economy is likely to be substantial given the abrupt stoppage of economic activity across the world, together with the financial stress, adverse effect on consumption, investment confidence, and trade and commodity prices. The already unsustainable debt burdens would exacerbate the problem for these economies. UNCTAD also underlined the effect of the cheap credit post 2008 which is undermining the debt sustainability of the developing countries.

The pandemic poses much more serious and distinct threat for developing countries. It would be much harder for these countries to come out with any effective stimulus package, due to the implied potential foreign exchange constraints. These countries have to generate foreign exchange through exports or sale of their reserves. And they have high import content in their exports. International trade is almost at a standstill. The sharp currency fluctuations triggered by the pandemic makes servicing their debts and meeting import funding extremely difficult for these countries.

Exit of capital (both debt and equity), from main emerging economies amounted to \$59 billion during 21 February to 24 March. This is more than double the portfolio outflows experienced by the same countries in the immediate aftermath of the global financial crisis (\$26.7 billion).<sup>24</sup> At the same time many of the conditions that produced a sharp bounce back in developing countries after 2010 are no longer present. And the strong recovery in developing country trade that occurred in 2010 seems less likely this time. UNCTAD has estimated that the fall in global FDI flows in 2020-21 would be to the tune of 30-40 per cent.<sup>25</sup> It has also been reported that in comparison to the global financial crisis the present crisis is more widespread and consequences are more immediate.

The UN has called for \$2.5 trillion corona virus crisis package for developing countries.<sup>26</sup> The consequences of a combined health pandemic and a global recession will be catastrophic for many developing countries and halt their progress towards the Sustainable Development Goals. Of the \$2.5 trillion UN has proposed that: (a) \$1 trillion should be made available through the expanded use of special drawing rights; (b) \$1

trillion of debts owed by developing countries should be cancelled this year; and (c) \$500 billion needed to fund a Marshall Plan for health recovery and dispersed as grants

### **The Pandemic and the WHO**

Covid-19 pandemic has brought into sharp focus the interdependence of nations and regions. Globalisation has brought the world together, and the benefits of globalisation have been immense. But it has got certain risks as well, as has been evident from the rapid spread of the pandemic. The slow and divided response of the international community has resulted in the epidemic turning into a pandemic. China fought its own battle; of course, supported at later stage by the WHO. With all its limitations WHO turned out to be a critical support to China in its fight against the virus, while being extra careful not to be appearing to tread on the sovereignty of the country. The role WHO played in creating awareness all over the world is creditable. The credibility of what WHO has to say on the virus, its spread and prevention is for everyone to see. This is the merit of a multilateral organisation. However, there have been questions about the transparency of what went behind the scenes in WHO and China during the initial weeks and months of the Covid-19 epidemic, before it was declared a pandemic.

This pandemic has taught the world that today's problems are not amenable to country specific solutions. While enjoying the benefits of globalisation it is the duty of nations and citizens to make arrangements for facing the flip side of globalisation as well. One solution is to turn autarkic: each one shuts oneself out from others. True, this is the first response that has actually happened. However, if the entire world came together to halt the virus in China and supported it (of course, if it willingly accepted the support) the pandemic would have remained an epidemic. China initially was secretive and did not share information with the WHO. It tried to fight its own battle. As the pandemic unfolded WHO got actively involved in China's containment efforts and even praised China for its efficient handling of the issue. The delay in declaring

the scourge as a pandemic by the WHO and the inability of the WHO to share details related to its spread and about the gravity of the situation, according to the US, did substantial harm to the US and other countries globally. Under pressure from the US which alleged that the virus originated from a Wuhan laboratory, the multilateral health organisation has sent its experts to China to verify whether or not the virus jumped from species to human, and if so what species it jumped from. The US has since announced that it would stop all financial support to the WHO and would exit from its membership. When the turn of other countries came, they are all trying to fight their own battles, with overall guidance and support from the WHO, but with limited success in many cases. Coordinated efforts have been largely missing in action.

This is where the need for multilateral institutions arise. Such institutions specialise in particular areas of expertise. They do research in specialised fields. They maintain a network of experts who could be accessed with short notice. But such institutions, to be effective, should get wholehearted support from the community of nations.

The COVID-19 pandemic has spread its wings well beyond health and hygiene and has brought the global supply chains to a grinding halt, thus crippling economic activity the world over. Global economic growth, trade, investment and finance all are predicted to take a steep dive down during this and the next fiscal.

The challenges the world face are cross country and cross domain, and necessitates international and global multilateral solutions. COVID-19 has brought the need for a multilateral approach to global problems into sharp focus. What is alarming is that the solidarity witnessed at the time of the global financial meltdown in 2007-08 is completely lacking at the time of this pandemic, which has been seen to be a much worse global tragedy than the financial crisis.<sup>27</sup> The only silver lining has been the efforts of the WHO, which has put in whatever it has to address the problem, though there has been sharp criticism of its partisanship by the US.



It has to be noticed that the pandemic raised its head at a time when a number of multilateral initiatives and events were scheduled all over the world. The Tokyo Olympics had to be postponed. Olympics remains a symbol of cooperation and comity among nations for years. World has just entered the decade for the fulfillment of the ambitious SDG 2030. UN75 is very much here.

## **Part V: How to Turn Crisis into Opportunity? Can G20 Deliver?**

Crises tend to open up opportunities. The UN was the product of a crisis; so was the G20 in 1999 and with upgradation to heads of state/government in 2008. UN75 provides opportunity for the world to recall the importance and utility of the multilateral process. G20 provides the best platform to resurrect the global multilateralism, with its wide representation,<sup>28</sup> the active presence of Think Tanks (T20), Business (B20), Gender groups (W20), Civil Society (C20) etc. Will the world leadership rise to the occasion and convert this tragedy into an opportunity to bring global multilateralism to the centre stage. The way the newly formed G20 so successfully addressed the global financial crisis of 2008 is fresh in every one's memory.

While the pandemic was raging and was affecting countries after countries the response from the global community, including the UN Security Council was sluggish. China fought its own battle, with support from the WHO. Europe struggled on their own. Countries irrespective of size and wealth struggled to come to terms with the pandemic.

G20 response to the problems has also been seen to be slow. It was left to the Indian Prime Minister Narendra Modi to take the initiative on two major fronts: (i) to take the lead to have a virtual conference of the South Asian Association for Regional Cooperation (SAARC) heads of State/Government<sup>29</sup> and share their views, and set up a SAARC Covid-19 Emergency Fund, as also the decision to make available technical and financial support to the SAARC Member countries to

face the COVID-19 challenge. It was also made clear that India's Rapid Action Force (RAF) would be available for all SAARC countries for COVID-19 emergencies; and (ii) PM Modi also called upon the G20 countries to have a virtual conference, which took place on 26, March 2020, and where it was decided that this group would pump into the global economy US\$5 trillion. What is important is that the leaders from all G20 countries, including the US, China, Germany and India spoke in one voice about the need to work together to contain the novel Corona Virus. In a Communique, G-20 leaders declared that they are committed to do whatever it takes to overcome the pandemic along with other International organisations like WHO, IMF, UN, WBG and others. Even though there are paras in the communique related to the need for keeping trade flows intact, the name of the WTO is conspicuous by its absence from the statement.

However, the G20 response to the pandemic has not met with good review internationally. Goodman et al (2020)<sup>30</sup> remarked that the March, 26 G20 communiqué essentially recounted and endorsed what national governments and central banks were already doing individually through aggressive fiscal and monetary policy. They also noted that despite early press reports suggesting injection of a new \$5 trillion in spending, this figure was merely an aggregation of existing measures by G20 countries. The joint paper also felt that the G20 leaders did not provide any answer to the economic challenges posed by the health crisis or offer guidance to policymakers-whether in individual countries or in international organizations such as the International Monetary Fund (IMF) or World Bank—on additional measures needed. The paper also felt that unlike the G20 leaders' communiqués during the global financial crisis in 2008-09, the March 26, 2020 statement fails to convey a spirit of robust internationalism and multilateral cooperation.

With reference to the COVID-19 menace Anne O. Krueger<sup>31</sup> noted that the global economy may be in a worse situation than it was during the 2008 financial crisis, because America has all but slammed the door shut on international cooperation. She correctly predicted that without

a multilateral response, the US will suffer as much as anyone. In the past there was coordinated response to similar crises by countries. She referred to the threats posed by SARS in 2003, H1N1 (swine flu) in 2009, MERS in 2012, Ebola in 2014-2016, and the 2008 global financial crisis. All these were contained through swift multilateral action. The current pandemic is more deserving of multilateral attention as it came on the back of pre-existing recessionary pressures and global trade disruptions. Krueger feels that the only chance is a coordinated push under the auspices of the G20 or the International Monetary Fund.

The United Nations General Assembly (UNGA) unanimously adopted a resolution<sup>32</sup> titled ‘Global solidarity to fight the coronavirus disease 2019 (COVID-19)’, calling for intensified international cooperation to defeat the pandemic. However, the UN Security Council has not met to take stock of the pandemic. In fact there is a strong view that marking COVID-19 as a security issue is a viable path towards bringing nations together to collaborate on an intelligible roadmap in tackling the pandemic<sup>33</sup>. Such Securitisation of the pandemic is expected to help better mobilization of global resources.

There was also need to coordinate the approaches of countries to the pandemic. The US and Brazil in particular appeared to prefer livelihood to life at least until the problem started pinching them severely. UNSC or G20 could have ensured that there was a coordinated attack on the pandemic by the world. The G7 failed even to come out with a communique; and the reason for the same is even more startling – the US insisted that the virus should be referred to as ‘Wuhan/China virus’, which the other G7 countries felt would be offensive to China. The US President has since withheld the US contribution to the WHO. US Senate has ordered an enquiry regarding whether the COVID-19 virus was developed in a laboratory. The Chinese government is reported to have agreed to an independent inquiry into the origins of the SARS-CoV-2 Coronavirus (COVID-19) during the World Health Assembly (WHA) held in May, 2020. The 73rd World Health Assembly which was held virtually, adopted a resolution by consensus among the 130 members

present, to have a united fight against the COVID-19 pandemic. It also called for equitable access to and fair distribution of all essential health technologies and products to combat the virus. An independent and comprehensive evaluation of the global response, not limited to WHO alone, was called for.

Even as the pandemic has universal spread with over 210 countries in all the continents affected, the absence of any perceptible and coordinated efforts at the global level to prevent its proliferation has been seen to be a real failure of multilateralism<sup>34</sup>. There have been calls for the preponement of the ninth review Conference of the Biological Weapons Convention scheduled for November 2021 to assess as to how the COVID-19 situation evolved from the biological weapons standpoint.

It has been reported that China's Ambassador to the UN, Zhang Jun, as he took over the presidency of the Security Council in March, 2020 was asked whether China plans to discuss the corona virus emergency and he said<sup>35</sup> there is no need to panic over the coronavirus epidemic and Beijing does not plan to discuss the situation in the Council during its presidency. He felt that the world is not far from the defeat of COVID-19 "with the coming of spring". A much more controversial statement came from him when he said that the issue of coronavirus falls within the concept of global public health while the Security Council's primary responsibility is dealing with the geo-political security and peace matters. He only said that the Council will watch the situation very closely. And they did not have any plan to have a specific discussion on this issue in the Security Council.

### **Should the World Yield to Unilateralist Pressures?**

The success of the US strategy of bullying partners, especially in trade and related matters, has been emboldening it under the Trump administration which has been pushing matters again and again to the edge. And the US has been getting away with it. The leader par excellence of anti-multilateralism, therefore, is obviously the US. What is primarily

behind the US conduct is the rise and rise of China. The US is trying all tricks in its arsenal to stop the mammoth march of China. It is true that the US has tasted some extent of success: China has modified its international economic conduct to some extent in the recent past, partly prompted by the US tactics and partly necessitated by the self-realisation that it cannot thrive any more on international markets alone. China has started looking more and more inward for market for its products. China's current account surplus has dwindled from an enviable 10 per cent in 2007 to a current-account deficit in the first quarter of 2018, its first since joining the World Trade Organisation in 2001<sup>36</sup>. But China has already managed to pierce the gravitational barrier to achieve sustainable growth to remain one of the two major economic powers of the world, which cannot easily be reversed. Unilateral conduct by other countries, including China has not been as pronounced as that of the US and hardly any literature is available. But should the whole world pay for by allowing the multilateral institutions to be weakened and incapacitated just because one country uses it as a strategy to achieve its geo political and other strategic interests. Obviously not. Each country eventually has to act as per its own national interest.

### **Alliance for Multilateralism: Should India Join?**

Even in the face of the nationalist and unilateral tendencies at the global level there are a large number of countries which are looking for genuine multilateralism in the global arena. An Alliance for Multilateralism<sup>37</sup> which is a loose grouping of over 50 countries that have joined hands to resolve global issues such as disarmament, digitalisation, trade and climate change through joint efforts is already in existence. Many countries may have reservations when it comes to some of the agenda on the table of these countries. Digitalisation and e-commerce negotiations, for example. However, the danger of multilateralism weakening is so high that it is important for more and more countries to join forces with the Alliance. India, an ardent votary of multilateralism, needs to throw its weight behind this movement.

How can the G20 come back to the winning ways of its initial years when its Leaders worked as one man to tackle the 2008 financial crisis? Transformative ideas and persuasive leadership who can correctly assess the state of affairs that exists and appreciate the possible rationale of or emotions behind the stands being taken by different players at the international stage, are what matter at this point of time. The current pandemic is a standing testimony to the cost of the failure of multilateralism. While millions are suffering and thousands are dying, the global leaders appear to be unable to coordinate their efforts in an effective way. There is no easy solution to the current predicament.

## **Part VI: Conclusions And the Way Forward**

Global multilateralism is in urgent need for reform. All the multilateral institutions are struggling to justify their relevance. The US poses the maximum risk to global multilateralism with its unilateral conduct and refusal to engage in dialogue on reforms. The UN system and especially the UNSC is fossilised in the post-WW-II geopolitical equations and there is strong resistance to change. The Bretton woods institutions have not been amenable to any major transformation: the dominance of certain countries continues. WHO has been under the scanner for various deficiencies. The multilateral trading system represented by the WTO faces existential crisis on all major fronts: the much acclaimed dispute settlement system has collapsed.

Both inadequate realisation of basic objectives and inadequate transparency in the functioning are matters of grave concern. Absence of representation to nations of current geopolitical and economic and military power equations has worsened the situation. The raging US-China rivalry makes dialogue on possible solutions difficult.

As the COVID-19 pandemic spread its wings far and wide, crippling economies after economies, the inadequacies of global multilateralism has come more and more into focus. The conduct and performance of the WHO during the emergence and spread of the crisis is under scrutiny. While the UN, and the UNSC in particular, exposed their weaknesses, the

G20 response to the pandemic was also seen to be inadequate compared to the coordinated and effective response at the time of the global financial crisis of 2008. The UNSC literally ignored the crisis of a century, with China arguing that the pandemic is not a security issue.

Following on from the foregoing discussions, the way forward for resurrecting the global multilateral system needs to take into account the following:

- COVID-19 pandemic has brought out sharply the inadequacies of the global multilateralism to address the innumerable challenges that the world face today. A disaster as grave as this could not move the global community to have an effective and coordinated effort. Rather the divisions became sharper. Protagonists of unilateralism continued to assert themselves, and with more vigour. This calls for reform of the multilateral world order with some sense of urgency.
- A counter narrative to the logics staunchly floated for unilateralism and against multilateralism needs to be expounded and articulated. Slogans like ‘country first’ (the US, for example) and ‘take back control’ (Brexit, for example) have some reason and strong emotional appeal behind it. Ignoring them as narrow is not the solution. These need to be addressed in a way that appeals to them rather.
- Following from (ii), the critical role of multilateralism for the all-round welfare and progress of humanity has to be driven home to people across countries and across viewpoints. The fall out of a collapse of the multilateralism is not always immediately evident. As in most cases, crisis brings out best the role and importance of institutions and systems. Emerging and developing countries and LDCs would be the major losers when multilateralism fails. Every country outside the two leading economies of today stand to lose in the absence of multilateralism. Even these two countries would learn over time that they too stand to lose.
- In the absence of multilateralism there is likelihood of blocks crystalising around the major powers, leaving three or four blocks

who trade less and less among them, thus reducing the efficiencies of international trade substantially.<sup>38</sup> Loss in terms of welfare and efficiency will be for all. This is trade theory, pure and simple.

- All around mess (in the multilateral system) cannot be sorted out by piece meal solutions: comprehensive and well thought out strategies need to be worked out. The UN system is holed up in the past. It has not taken into account the rise of emerging markets. The only recognition to the emergence of these markets was the formation of the G20; but that was far back in 2008. The UN world is on a near standstill for decades; and we are at the door step of UN75. The structure and composition of the UN system needs a close re-look. The situation in the Bretton Woods institutions is no different. The power balance in the World Bank and IMF is shared between the US and the EU. Quota distribution is inequitable in IMF. Not just the US, the EU also need to show consideration for the need to give due representation to the emerging and the developing countries. Recently when the post of Chief of IMF was vacated by Christine Lagarde, the EU ensured that the vacancy was filled up by an EU nominee. Multilateral trade is another aspect of the problem. COVID-19 has exposed the crisis management deficiencies in the UN system. UN Security Council has not been able to act at all. The UN General Assembly Resolution was seen by many to be a mere formality. WHO has been struggling with the pandemic, as a divided and critical world is looking on. Each country is taking its own measures or, at best, is looking for bilateral support. A fundamental renegotiation of the multilateral institutions is called for. The tradeoff of the past may not be satisfying for all. They have to be re-balanced.
- UN Security Council is an out dated structure. ‘Veto’, the use of which appeared to be coming down, has again started showing signs of spiking. China has taken the stand that the issue of coronavirus falls within the concept of global public health while the Security Council’s primary responsibility is dealing with the geo-political



security and peace matters. One single member of the UNSC could dictate the agenda of the Council. The need for change in the structure and functioning of the UNSC has become all the more apparent with the way the system responded to the COVID-19 pandemic. The campaign for permanent membership with veto power for countries like India, Japan, Brazil and Germany needs urgent attention, having regard for the changed economic and geo-political power balances. Rather than looking for an altogether new structure which appears elusive, it may be advisable to go in for an expansion of the permanent membership of the Security Council with membership to India, Brazil, Germany and Japan, taking into account the economic and political clout these countries enjoy. The functioning of the Council needs to be more transparent, and less dictated solely by the self-interests of the permanent members.

- WHO, like the other multilateral institutions, is in urgent need for reform. COVID-19 has exposed a number of its deficiencies. As the WEF Global Risks Report 2019 had warned, the world was found badly under-prepared for even modest biological threats. Any reform and re-imaging of the world health architecture need to be comprehensive. Without compromising its inter-governmental nature the organisation's apex body should be more compact with more representation to countries with superior capabilities in healthcare. The second set of reforms required is ensuring timely notification of incidence of virus outbreaks by relevant member countries. There may be need for binding commitments by WHO member states in this regard. Necessary legislative changes, as may be required, have to be effected. A binding global convention may be the answer. Legally binding bio-surveillance has become a necessity. While development of vaccine for COVID-19 is progressing at rapid pace in many countries, the issue of access to the vaccine, as and when developed, by developing countries and LDCs, in particular, is a major area of concern. WHO would need to identify the ways

and means to enable equitable access. It has to be ensured that the provisions of the WTO TRIPS agreement do not stand in the way of such access by developing countries and LDCs.

- Behind any change are change leaders. Personalities and coalitions have to emerge. The current (two) super economies have failed, rather damaged, the world. They are unto their own one up-manship game, while the rest of the world is gasping for breath. New leadership has to emerge. Collective leadership is the need of the hour. Circumstances create new leaders and new coalitions.
- A new Quadrilateral (QUAD) has to emerge: the US, the Peoples Republic of China, the EU and India have to assume the leadership role to take the multilateral system out of the quagmire in which it is now. The Quadrilateral could act as a catalyst in the G20 to strive to build consensus on the need to progress on multilateralism, even if a new version of it. Japan, Brazil and Russia may have to be closely involved in this process. Once broad consensus evolves in the G20 the support of developing countries and LDCs may be enlisted. India needs to play the lead role. The time has come for leaders to encash the good will they have created over the years, and leverage it to provide necessary leadership to solve urgent and demanding problems.
- While the G20 virtual summit of 26 March, 2020 exhibited a semblance of solidarity among the members of the group, it has been noticed from the successive annual summits of Leaders, especially at Buenos Aires and then at Osaka, that issues related to multilateralism were not addressed at all: rather these were kept under the carpet. The reference to the issue betrayed ambivalence. The stand of one particular country so influenced the Communiques that no stand was taken by the group, either on trade multilateralism or on climate change (Paris Agreement).
- To have a manageable solution, while embarking on reform of the multilateral institutions, ambitions should be kept to reasonable limits. Imposition of value systems before societies are ready for it,

can have deleterious effects. For example, the agenda on issues like labour and environment standards should be limited to what the large majority of countries can absorb.

- Efforts have to be made by the G20 to revive the Doha process by presenting the WTO members with a reasonably acceptable agenda for negotiation. World has changed. New economy, Industry 4.0 are all realities. E-commerce and digitalization are facts of life. WTO cannot be on 'stand still' at the pre-1995 era. There should be accommodation from all sides to have a currently relevant, but fair agenda for the multilateral trading system. There should be perceptible progress on negotiations on issues of interest to developing countries and LDCs. The WTO Membership should be open to new ideas. But there has to be overall balance so that whatever comes in looks fair, and is in reality fair to all. The G20, 'Riyadh Initiative on the Future of the WTO'
- The realization that multilateralism is the only solution and hope, has to set in. The Secretary General of the UN Mr. António Guterres was frank when he stated<sup>40</sup> that we no longer live in a bipolar or unipolar world, but we are not yet in a multipolar world. We are in a kind of chaotic situation of transition. The Security Council appears paralysed. Even though we appear to move towards a multipolar world, it's not likely to serve peace and security. The importance of multilateral mechanisms needs to be recognized and a comprehensive response prepared.
- Unilateralism has been tasting success of late, encouraging more adventurism by certain leading powers. The COVID-19 pandemic has made the urgency for multilateral forces to come together more than ever before. The role of India as a leading power in terms of GDP, population, demography as also with proven leadership in space and atomic energy, is critical at this point of time. In the multilateral for a India needs to assert more and more proactively and positively, and play a leadership role. The legitimate rights of India, given its economic, technological and military capabilities

need to be realised through strategic conduct. India has garnered substantial good-will among a large number of countries in recent years. Leveraging India's capabilities and encashing the goodwill may involve taking stands when required and joining coalitions even when 'give and take' may be involved. As one of the emerging powers internationally India cannot afford to remain on the sidelines on major international issues. India, for instance, needs to consider throwing its weight with the informal grouping known as the 'friends of multilateralism' initiated by the EU. India needs to work closely with the WTO members who are exploring solutions to the issue of the Appellate Body. G20, as the most representative international body, has a major role in restoring the credibility of multilateralism. As the Indian Presidency approaches, the need for a more proactive and visible role by India is warranted.

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Core IV-B, Fourth Floor, India Habitat Centre  
Lodhi Road, New Delhi-110 003 India., Tel. 91-11-24682177-80  
Fax: 91-11-24682173-74, Email: [dgoffice@ris.org.in](mailto:dgoffice@ris.org.in)  
Website: <http://www.ris.org.in>