

# Making sense of multilateralism

January 2011

## Background

International cooperation and making sense of multilateralism is the subject of this article from the 2011 *Great Decisions* briefing book. Written by Stanley Foundation program officer David Shorr, the article examines the diplomatic and policy workings of multilateral cooperation.

To do this Shorr traces the international community's response to some of the major challenges on the global agenda. Looking at four major issues—nuclear proliferation, climate change, the global economy/economic development, and human rights—a picture emerges of a multilateral “ecosystem” with a lot of biodiversity among the forums where US officials work with their counterparts.

The briefing book is used by hundreds as the basis of group discussion on US foreign policy issues. It is part of the Great Decisions program from the Foreign Policy Association. In addition to global governance, *Great Decisions* 2011 features articles on Rebuilding Haiti; American national security since 9/11; The Horn of Africa; Banks, governments and debt crises; Germany's ascendancy; Sanctions and nonproliferation; and The Caucasus. In addition to the briefing book, Foreign Policy Association also produces the *Great Decisions Television Series* with 30-minute episodes on each of the topics.

Major high-stake issues confronting decisionmakers from around the world:

- Nuclear nonproliferation: a dual challenge
- Who's responsible for the global climate?
- Stabilizing the global economy
- Economic and human development

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# Making sense of multilateralism

by David Shorr



Led by a cordon of British police, thousands of demonstrators marched through central London to begin what became five days of protests before the G-20 summit, March 28, 2009. Trade unionists, environmental campaigners and antiglobalization activists joined forces to draw attention to their message of jobs, justice and climate. (SHAUN CURRY—AFP/GETTY IMAGES)

THE FINANCIAL MELTDOWN of 2008 was a stark reminder of the necessity of the basic social contract. Markets came dangerously close to a financial version of 17th-century philosopher Thomas Hobbes' "war of all against all." Large Wall Street firms were revealed to be intensely interdependent and vulnerable to the gaps in one another's balance sheets. Indeed, the fundamental solidity of the system—its rules and the mutual trust and confidence of its participants—was under threat from a mad scramble of self-aggrandizement. And in today's interconnected world, the cautionary tale holds equal relevance for U.S. foreign policy.

All too often, foreign policy debates are consumed by a focus on hot spots such as Pakistan, Iran, or Israel/Palestine—all undeniably important—while losing track of U.S. interests in overall global conditions and the health of the international system. The U.S. has a huge stake in whether the 21st-century world is shaped by disintegration and disorder or by the social contract of a rules-based international order. This stake is especially high for the world's most powerful nation, but others are likely to be pulled upward or downward along the same trajectory—either rising standards of living and relative tranquility, or ruthless power struggles, exploitation and abuse.

The international community needs solid institutions in which it can confer, decide and act, and many mechanisms have made worthy contributions. A picture of the world community setting the terms for the 21st-century international order highlights the major high-stake issues confronting decisionmakers from around the world and maps the political and policy differences that must be bridged to craft an effective response to each problem. The point is to keep sight of the real sine qua non of global progress: determined diligent leadership.

## Foreign policy and multilateral cooperation

It has become a mantra in discussions of U.S. foreign policy that today's challenges are "too big for even the most powerful nation to solve." This is less a verdict on an America in decline, however, than a depiction of global realities. As power and authority have become diffuse rather than concen-

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trated, leaders in Washington or elsewhere are less able to achieve their aims through top-down decisionmaking. The oft-noted rise of nonstate actors (ranging from transnational corporations to aid groups to terrorist networks) is part of this trend.

Yet even as nations and their governments contend with new rivals for influence, they remain the key players for the solution of international problems. Political will from national capitals is the necessary condition for international progress—insufficient on its own, perhaps, but necessary. Problems have become harder to solve, yet political leaders still bear the burden of solving them. International cooperation puts political leaders to an ongoing test of whether they are genuinely committed to building a durable international system.

As a practical matter, multilateral forums like the United Nations and the Group of Twenty (G-20, representatives of 20 top industrialized and developing economies) are the places and instruments through which nations' representatives confront and try to resolve these thorny issues collectively. For policymakers, it is a two-level process: reach-

ing agreement on what should be done and implementing the agreed course of action. It encompasses everything from high-stakes brinksmanship on Iran's nuclear program to the Basel Committee's consultations on the regulatory supervision of banks.

The intergovernmental organizations themselves reflect this diversity. In terms of structural permanence and formality, the organs of the UN have clear rules for mandate, composition and decisions, many of them rooted in legally binding agreements. By contrast, the G-8, G-20 and associated G-groupings are simply series of presidential summits and related meetings—and as such, highly informal and impermanent. Suffice it to say, the international system has a lot of moving parts.

To understand the diplomatic and policy workings of multilateral cooperation, it is instructive to trace the international community's response to some of the major challenges on the global agenda. Looking at four major issue areas—nuclear proliferation, climate change, the global economy and economic and human development—a picture emerges of a multilateral "ecosystem" with much "biodiversity"

among the forums where U.S. officials work with their counterparts.

In that vein, it is worth noting some basic determinants of cooperative action for any international issue or problem:

- The kind of policy measures being discussed or implemented; the type of lever being applied to the given problem (pressure on a target country, resource mobilization, mutual commitment to national-level action, affirmation of broad principles).
- The degree to which an issue has already progressed, with clear multilateral commitments and modalities for follow-through, or instead must still be developed.
- International political fault lines that divide nations' views and approaches on an issue.
- Who has moral authority and is staking the high ground; how the issue is framed.
- The roles played by different multilateral bodies and how "the action" of policy or diplomacy moves from one to another.
- Connections between high-level political impetus and the technical work done by experts. ■

## Nuclear nonproliferation: a dual challenge

**S**TEMMING the spread of mankind's most destructive invention is actually a dual challenge, reflecting the importance both of nation-states and nonstate actors. Nuclear nonproliferation efforts encompass the 21st-century threat of a terrorist group getting a bomb, as well as lingering 20th-century worries that the club of nuclear-armed nations will grow larger and larger.

For a terrorist group to obtain a nuclear weapon, it must steal or purchase an already assembled device from a country's arsenal or the key fissionable ingredient to make a bomb. One way to prevent this is to reduce stockpiles of nuclear arms and material, leaving terrorists with fewer potential sources

for either. Regardless of the size of stockpiles, the other key is to keep all such items under the strictest control and security. The pioneering effort on so-called "loose nukes" has been the U.S.-funded Nunn-Lugar Cooperative Threat Reduction (CTR) program, which since 1991 has focused on securing and dismantling weapons of mass destruction (WMD) and their associated infrastructure in the former Soviet republics. More recently, President Barack Obama set a goal for nuclear material worldwide to be reliably secured within four years and hosted a 47-nation nuclear security summit in April 2010 to discuss how.

Of all the items on the global mul-

tilateral agenda, nuclear material security demands to be implemented in detail. However, reaching down to the ground-level operations of hundreds of facilities in dozens of countries presents a massive practical challenge. This side of nonproliferation is actually more akin to economic development efforts—particularly technical assistance and capacity building—than to traditional arms control treaties. As with other capacity building, the point is to raise a country's standards for governance and administration. And like development aid, nuclear security often calls for a wealthier donor government to underwrite operational costs such as upgrading security systems or physi-



cally removing or destroying weapons-usable material.

That said, foreign aid should ideally not be viewed as largesse, but as a partnership with mutual obligations between donor and recipient. In this case, not only do wealthy nations need to boost the security of their own facilities, but the scope of the global task exceeds America's ability to drive the whole effort. Matthew Bunn of Harvard's Kennedy School makes this point in the 2010 edition of the "Securing the Bomb" report:

"It would certainly not be possible for U.S.-funded upgrades to be negotiated and implemented for all relevant sites around the world in four years. Instead, the effort must combine U.S.-funded upgrades and material removals (or those funded by other donor states) with security improvements and material removals key countries carry out themselves ... The fundamental key to the success of the four-year nuclear security effort is to convince political leaders and nuclear managers around the world that nuclear terrorism is a real and urgent threat...."

Nuclear security is the sum total of actions by individual nations, and progress depends on national leaders having a strong sense of ownership of the problem.

While the domestic piece is critical—i.e., getting each country's top officials to prod the ground-level work of locking down nuclear material—multilateral frameworks play an important role too. Indeed, there are numerous multilateral moving parts just within the area of nuclear security. The nuclear security summit itself, for example, is a venue for world leaders to affirm the four-year goal and note what it would entail, with some leaders offering national commitments to take specific steps toward greater security. (A follow-up summit is scheduled for 2012.)

There are two treaties spelling out legal norms: the International Convention for the Suppression of Acts of Nuclear Terrorism and the Convention on the Physical Protection of Nuclear Material. The Global Initiative to Counter Nuclear Terrorism brings together



On October 9, 2006, despite global appeals and threats of sanctions, North Korea carried out its first nuclear weapons test, upsetting a precarious worldwide nuclear balance. South Koreans watched a broadcast of the event at a railway station in Seoul. (JUNG YEON-JE—AFP/GETTY IMAGES)

officials with day-to-day responsibility for security to share best practices. UN Security Council Resolution 1540 not only mandated UN member states to take measures against WMD terrorism, but is also a framework to receive assistance for basic functions like controlling borders, customs and financial flows. Lastly, the G-8's Global Partnership Against the Spread of WMD is a 10-year, \$20 billion funding mechanism to destroy and secure WMD stockpiles.

### Who, if anyone, should have the bomb?

Whereas world leaders are making a new push to keep terrorist networks from acquiring nuclear arms, the question of whether nations should possess such weapons is a longtime fixture on the multilateral agenda. Since any country with nuclear arms poses at least a tacit threat of devastation toward others, nuclear proliferation is inherently a bedrock issue for the global political order. When the Nuclear Non-Proliferation Treaty (NPT) took effect in 1970, it was feared that dozens of nations would get the bomb in the decades ahead. Yet with the treaty in place, the spread of the bomb has been limited to nine nuclear powers today. A number of other nations have dropped their ambitions or even got rid of weapons they had.

Today, however, the global consensus on nonproliferation confronts strains that could unravel it and nudge the world toward the high number of nuclear powers that had been feared. Even some of nonproliferation's solid citizens may start to question their own good behavior, wondering whether it is wise to remain nonnuclear in a world with more nuclear powers—which could spark local arms races in volatile regions such as the Middle East or Northeast Asia.

The NPT agreement's key provisions represent a grand bargain. Nations that did not have nuclear weapons would forswear them (Article II). Nations already possessing nuclear arsenals would ultimately disarm (Article VI). Nations without nuclear weapons would get assistance with the technology's civilian uses, like energy or medicine, along with measures walling these activities off from military uses (Articles III, IV and V). But the implicit double standard for the haves and have-nots made it a delicate arrangement. The linchpin was the Article VI disarmament obligation: nuclear arms were to be tolerated only with the understanding that they would ultimately be eliminated. Because of the weapons' destructiveness, the NPT set up a legal framework to minimize them as instruments of statecraft—to

render them taboo and build an international security system in which they would have no permanent role.

The double standard also left another disparity in the treaty's legal obligations. Nuclear powers were mandated to disarm at some future point, but the requirement for others not to acquire weapons is a constant matter of here and now. Regardless of disarmament steps taken to date (or not) by the "haves," others are expected to remain nonnuclear year after year. After four decades, the patience of the have-nots and the credibility of the nuclear powers have eroded.

### Recent multilateral moves

For policymakers involved in the 2009–2010 flurry of nonproliferation activity, three timelines helped concentrate the mind. First, the NPT Review Conference that takes place every five years was slated for May 3–28, 2010, at UN headquarters. Second, the 19-year old Strategic Arms Reduction Treaty (START) between the U.S. and Russia expired on December 5, 2009. And then third, the assumption that unless it is contained, the controversial Iranian nuclear program will have the ability to produce nuclear weapons within the next few years. Washington faced several challenges at once: a successful NPT review to shore up the treaty regime; a show of progress on disarmament to bolster U.S. moral authority; and continued pressure on Iran to compel it to prove the civilian intentions of its nuclear program.

With the review conference just 16 months after the Obama Administration took office, time was of the essence. For all the excitement stirred by President Obama's April 2009 commitment to the long-term goal of eliminating all nuclear weapons, the tangible effect of that speech was to lend urgency to his Administration's policy initiatives. Almost exactly a year later, and one month before the NPT conference, the U.S. concluded the New START treaty with Russia and issued a new strategy, the Nuclear Posture Review, which curtails the role of U.S. nuclear forces in military strategy. The New START

agreement was a key step, although its ratification has faced tough opposition in the U.S. Senate. Combined, the U.S. and Russia possess over 90% of the world's nuclear arms, and while the new treaty's limit of a combined 3,100 deployed strategic warheads hardly qualifies as a minimal skeleton force, it is a far cry from the cold-war (1945-91) peak level of over 25,000.

Judging the success or failure of the 2010 NPT Review Conference depends on how high the bar is set for expectations. Compared to the acrimony of the 2005 conference—which met soon after the U.S. used nonproliferation as the premise for invading Iraq and ended in utter deadlock—the meeting counted as progress. Measured against the two sessions prior to 2005, though, the NPT's 189 state parties hardly made great strides. In fact, the chief "success" was simply to reaffirm ideas and principles from the 1995 and 2000 conferences.

The major outcome in 2000 was to spell out a set of "13 Practical Steps" toward disarmament (e.g., a treaty banning test detonations, a fissile material cut-off treaty, making weapons less launch-ready) that should be expected of the nuclear powers. Representatives at the 2010 conference really pressed the "haves"—homing in on the issues of military doctrines, weapon modernization and new talks on nuclear abolition—but consensus could not be reached, other than to acknowledge the general commitments from 10 years earlier.

Like many UN conferences, the prerequisite for the NPT review to produce a final document was consensus among all participating nations. In keeping with another UN pattern, Middle East issues dominated the proceedings. Here the precedent was a grand bargain from 1995: permanent extension of the NPT (rather than for just another five years) in exchange for a commitment to an eventual nuclear-weapon-free zone in the Middle East (read disarmament by Israel). In 2010, the price for an NPT Review Conference final document was a plan for the UN, Britain, Russia and the U.S. to sponsor a 2012 conference on a nuclear-weapon-free

Middle-East. It was clear to all sides that Israel could not be compelled to take part in a conference and that the idea itself depends on reduced regional tensions. Even so, Egypt and the other Arab nations saw the 2012 conference as valuable enough to push for consensus, even pressuring Iran into supporting the final document

### Iranian uranium

The NPT review revealed that when it comes to standards of good faith, the nonproliferation norm is held together by a quite brittle consensus. Looking at the specific case of Iran, the question of how to uphold the norm against potential violators is even more vexed. Unlike a domestic justice system, the NPT does not spell out the penalties for transgressors. The imposition of serious consequences like economic sanctions or military action is decided in diplomatic venues such as the UN Security Council rather than courtrooms. To determine questions of compliance or noncompliance, the job lies with a political-technical hybrid: the International Atomic Energy Agency (IAEA). The administrators and scientists of the Vienna, Austria-based IAEA keep a close watch on nuclear activities to make sure they are peaceful and not military in nature. The experts, in turn, report to the national ambassadors who make up the agency's 35-country board of governors.

The core problem begins with science: civilian and military uses of nuclear energy stem from the same basic radioactive processes. The peaceful uses encouraged under the NPT are not hard to distinguish from forbidden weapon making, but there is overlap. The Iran controversy centers on uranium it is enriching purportedly for civilian purposes, yet with clear military potential. The multilateral goal is to agree on measures to supply Iran's energy and medical needs and also verify the uranium is being used for those purposes. If Iran meanwhile manages to enrich uranium highly enough and in sufficient quantity for nuclear weapons, the diplomatic degree of difficulty would go up several notches—as would the risk

of armed confrontation. Because Iran is nearing that threshold, discussions have focused on getting the country to hit the pause button on its uranium enrichment, just to give enough time to work out a more lasting deal.

Multilateral instruments like the NPT, the IAEA and the UN Security Council serve as structures in which U.S. officials and their counterparts can deal with the issues. The IAEA's reports chronicle how Iran has resisted measures required for the transparency of its nuclear program, thus feeding uncertainty about a possible military effort. And the Security Council, true to its function as global arbiter and executive committee, was the venue on June 9, 2010, to "call the question" on a new round of sanctions on Iran.

For U.S. policymakers working to keep up the pressure on Iran, it has been arduous and required them to give equal

attention to formal multilateral process as well as the broader political imperatives of international coalition building and diplomatic brinksmanship. As a result, this issue was on Washington's agenda for almost every high-level consultation in which the U.S. took part. Most dramatically, President Obama and his French and British counterparts used the Pittsburgh, Pennsylvania, G-20 economic summit in September 2009 to announce Western intelligence showing Iran had been building a secret nuclear facility near Qom.

Within days, Iran made a (belated) disclosure of the Qom facility and reached an agreement to transfer enriched uranium to Russia and France in exchange for fuel rods for its civilian reactors. As events moved forward, the uranium transfer deal was bound to be valuable whichever scenario emerged. If Iran followed through on the deal,

it would help pave the way for a diplomatic solution by stretching out the timeline by which Iran would have nuclear weapon capability. If Tehran instead reneged, the world would see that Iranian leaders were just trying to deflect pressure (the renegade nation's traditional strategy) rather than seeking a solution. Months went by, Iranian leaders temporized, and the U.S. started recruiting international support for new sanctions. As sanctions loomed in May 2010, Iran worked with Turkey and Brazil on a new transfer deal, with terms unacceptable to the U.S. because they left much more enriched uranium in Iran's hands. Washington took the 11th-hour move as a provocation and responded by immediately submitting a draft sanctions resolution with the backing of Russia and China, which was approved by the Security Council just a few weeks later. ■

## Who's responsible for the global climate?

ONE OF THE earliest principles for multilateral action on climate change serves less as a standard for responsible policy than as a wedge for deep rifts on the issue. The notion of "common but differentiated responsibilities" sounds dry and technocratic, yet it is the core issue splitting wealthier developed nations and those that are still developing.

As the world weighs how to stem global warming, nations have different relationships with the problem. Emerging economies like China and India account for a rising share of carbon emissions. Being industrial latecomers, though, they are largely blameless for the buildup of greenhouse gases (GHGs) over the past one or two centuries. The idea of differentiated responsibilities places a greater onus on wealthier nations to reduce pollution. According to this principle, rather than ask rising powers to modulate their development and miss out on economic gains already enjoyed by the



*Multilateral agreements have spared emergent economic powers India and China from adhering to the guidelines proposed for developed countries in the global effort to reduce carbon emissions. Despite this, as one of the 140 nations that signed the Copenhagen Accord, China has agreed to reduce its "carbon intensity." Pictured here is the Gu Dian Steel plant in Datong, Shanxi Province, China, April 12, 2006. (CHANG W. LEE—THE NEW YORK TIMES)*



West, the developed countries should have to clean up the mess they created. The resulting requirements have been so skewed toward upper income nations, though, as to leave doubts about whether the responsibilities are truly being shared.

The UN Framework Convention on Climate Change (UNFCCC) reached at the 1992 Earth Summit in Rio de Janeiro, Brazil, merely established broad principles and an ongoing multilateral forum. Only five years later did UNFCCC signatories set specific obligations in the Kyoto Protocol. Developed countries were mandated to cut their GHG emissions by a certain percentage below 1990 levels and achieve the reductions by the treaty's expiration in 2012. No such requirements were placed on developing countries. If a less-developed nation cut emissions voluntarily, it could actually cash in—sell its rights to that amount of pollution to a wealthier nation hoping to loosen its own emissions limits. The world's richest nations were identified both as buyers for this secondary market and as donors that would assist with ecologically sustainable development. But the value of the Kyoto Protocol was severely undermined because key actors were missing from the accord—China and India since, as developing nations, they were exempt from having to cut, and the U.S. because domestic political opposition made ratification impossible.

Similar to the nuclear scientists who monitor nonproliferation, science plays a vital role in the multilateral response to climate change. Policymakers deciding on steps to halt global warming need a picture of how the greenhouse effect works, its causes and consequences. This is the job of the UN Intergovernmental Panel on Climate Change (IPCC), created in 1988 and cowinner of the 2007 Nobel Peace Prize. Rather than collecting data or conducting research itself, the IPCC reviews and synthesizes the findings of thousands of scientists around the world. Every five to seven years, the panel publishes major assessment reports, which draw on the accumulated data to estimate trends for GHG emissions, the temperatures

that would result from different scenarios, and the attendant rise in sea levels, extreme weather, health impact, disruption to agriculture and ecosystems and extinction of species.

The IPCC refrains from offering policy recommendations, but the policy relevance of its work is clear. Scientific assessments provide the essential link between the actions that governments and industries take and actual climate conditions. Decisionmakers need to know the ultimate climate outcome toward which they are aiming and the effectiveness of different measures in reducing GHGs.

### Copenhagen discord

For multiple reasons, the need for a follow-on agreement to the Kyoto Protocol is high on the international agenda. Besides the treaty's impending 2012 expiration date, there are those countries not covered by Kyoto. Any delay in GHG reductions, of course, also worsens the climate problem itself.

All of these pressures heightened the stakes for the December 2009 Copenhagen, Denmark, conference of UNFCCC member nations. The task of delegates at the two-week session was to hammer out a Kyoto successor agreement mandating reduced emission levels. Yet despite all the preparation and buildup, negotiators were essentially empty-handed as the end of the conference neared. The only chance for the meeting to produce some kind of result was for the top world leaders themselves to cut an 11th-hour deal.

The high-level brinksmanship was frantic, bordering on chaotic. The bargaining reached a climax when President Obama showed up for his scheduled one-on-one with Premier Wen Jiabao, only to find the Chinese premier in a meeting with his Brazilian, Indian and South African counterparts. A full-blown agreement was beyond the grasp even of heads of state, so instead they arrived at broad terms they hoped would be solid enough to build upon. The Copenhagen Accord—albeit not legally binding—thus set a ceiling for the global rise in temperature, established principles for transparency and verification and made

climate change financing more tangible with pledged funding levels.

The Copenhagen Accord noted the scientific consensus “that the increase in global temperature should be below two degrees Celsius,” as nations pledged to keep industrialization from warming the planet by more than two degrees (or 3.6° Fahrenheit) above preindustrial levels. Because of debate on whether the two degree limit is sufficient, especially for island nations, leaders promised to consider a more stringent 1.5 degree ceiling in the future.

As of November 2010, 140 nations have joined the Copenhagen Accord, with more than 70 countries (who collectively produce 80% of total GHGs) specifying how they will reduce their emissions. Most countries peg their pledges to percentage cuts from 1990 levels to be achieved by 2020. The U.S. based its pledge on pending legislation: a 17% reduction from 2005 levels (equivalent to 4% below the 1990 level). Given their concerns about continued economic development, China and India couched their commitments in terms of a less polluting path of growth. They promised to reduce “carbon intensity,” with lower emission levels per unit of economic output: 40%–45% less than 2005 levels for China and 20%–25% for India. The pledges from China and India are significant, coming from countries that have put up stiff resistance against any constraints.

Among the most controversial topics dealt with in Copenhagen were the provisions on measurement, reporting and verification. Negotiators walked a fine line between perceived intrusions on national sovereignty and the need to scrutinize nations' follow-through on their commitments. The accord marked the first time China had ever agreed to transparency measures with respect to emissions reductions. Given that China and India's earlier refusal to commit was a major domestic political argument against stronger U.S. action, it will be interesting to see if their change of heart helps spur Congress to pass an energy bill reflecting the U.S. commitment.

The accord included major new financial pledges by developed nations to

help developing countries mitigate the impact of climate change or adopt green technologies. They pledged \$30 billion over the next three years and eventual mobilization of \$100 billion annually by 2020.

In contrast to the NPT Review Conference, where delegates preserved the unanimity required to issue a document, the Copenhagen Accord was not officially endorsed by the meeting from which it emerged. Strictly speaking, the

accord was merely “noted” by the UNFCCC member nations present. While it was not negotiated as a legally binding treaty, national governments are expected to honor their commitments just the same.

This situation does raise questions, however, regarding the form of future agreements and where and how they will be crafted. The 2010 and 2011 UNFCCC conferences—in Mexico and South Africa respectively—are

supposed to continue the quest for an agreement that mimics the Kyoto Protocol in legal form and universal scope. But does that set the bar too high? Can such an agreement be negotiated among 192 nations? Five world leaders cut a deal to avoid a diplomatic disaster in Copenhagen. Somehow, these multilateral configurations and normative frameworks must find a way to prevent a severe disruption of the ecosphere, and human geography along with it. ■

## Stabilizing the global economy

THE NEW multilateral venue for stewardship of the global economy coalesced quite suddenly in response to the fall 2008 financial meltdown. With the financial system teetering precariously, President George W. Bush reached out to fellow world leaders for help in restoring basic confidence. For more than three decades, the G-7 club of Western industrial powers had taken the lead on such matters. This time even their collective economic clout would not be enough, the President realized, so he invited leaders from the G-20 countries to Washington for a mid-November summit. It was the first-ever meeting of presidents and prime ministers for this grouping, which previously had convened at the level of finance ministers.

The situation was grim indeed. As banks and other businesses hunched in a defensive crouch, activity in the real economy ground toward a halt. Households already struggling to cope were hit with new losses of jobs and income, and the threat of a voracious economic firestorm loomed.

The world’s major economies, however, mounted an impressive response in order to avert a global great depression.

Shortly before the G-20 summit, the U.S. Federal Reserve cut interest rates in tandem with other central banks for the first time in its history. Financially at-risk private institutions were propped up with public resources—not only the Troubled Asset Relief Program (TARP) in the U.S., but parallel efforts across Europe—to contain the damage. The



November 15, 2008: President Bush met with other members of the G-20 at a summit in Washington, D.C., to try to devise a plan to stem the rapidly spreading global financial crisis. (TIM SLOAN—AFP/GETTY IMAGES)

Washington G-20 meeting and an April 2009 summit in London assembled the rest of the economic rescue package. To boost demand for goods and services in their economies, world leaders committed to a \$5 trillion infusion of fiscal stimulus from their government budgets. They also guaranteed \$1 trillion in credit to the 187-member International Monetary Fund (IMF), available for governments wishing to borrow.

While the G-20 represented a more inclusive set of global players, it did not settle the question of a greater role for rising powers like China, India and Brazil. These countries are shifting from being rule takers to being rule makers. They were reluctant to make loans through the IMF, for instance, because

of their relatively low voting shares. Further reforms in the fund’s governance, with a greater say for emerging economies, were given added impetus.

By the time of the September 2009 G-20 summit in Pittsburgh, leaders had affirmed the group’s role as the world’s main economic policy forum, now with regular summit meetings. And with the dire emergency now passed, the agenda was no longer focused on fending off catastrophe, but instead on steadying the global economy and averting further paroxysms.

A key issue in the transition from economic crisis response to stabilization is a so-called “exit strategy” from the emergency measures that were taken. The dilemma here is between





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the short-term imperative of sustaining demand and the longer-term need to keep budgets in balance. If deficits grow too large, the gap becomes very hard to close. On the other hand, if fiscal stimulus is withdrawn before private sector demand has returned, the low tax revenues due to a weak economy could worsen the deficit problem.

This debate was front and center at the June 2010 G-20 summit in Toronto, Canada, and unity was in scant supply. Worried that the major economies would prematurely withdraw their fiscal stimulus, President Obama sent a letter to his colleagues 10 days prior to the summit. On the other side were deficit hawks from Western Europe, particularly an adamant German Chancellor Angela Merkel. The summit communiqué included a general cautionary note that spending cuts could endanger a fragile economic recovery, but it set specific targets for deficit reduction such as halving them by 2013.

Given how the economic downturn traces back to rampant risk taking in financial markets, they have been another major focus. In July 2010, the U.S. Congress adopted a package of regulatory reforms, while international coordination on these issues is ongoing. The Basel Committee on Banking Supervision is comprised of bank regulators from around the world. In September 2010, the group set new standards to limit banks' debt levels and require them to maintain sufficient capital. Even more broadly, the G-20 set up a Financial Stability Board

(FSB), bringing together national and international experts who set different standards for financial markets. Working as a network of professional peers, the FSB is supposed to arrive at common industry standards that will protect the overall financial system from a crisis like the last one.

The phrase "strong, sustainable, and balanced growth" causes one's eyes to glaze over almost automatically, yet it is actually very important for our economic future. The key word is *balanced*—key because the global economy is out of balance.

The problem can be seen in the symbiotic U.S.-China relationship. China's impressively steady growth has been based on exports. As China constantly drives to sell goods to others, the proceeds have piled up in the form of foreign currency, foreign government bonds and other investments overseas. The emphasis in the U.S. is more on buying than selling, with fully two thirds of the U.S. economy consisting of consumer spending. As is well known, a lot of Chinese profits from their exports have ended up as loans or investments in the U.S. Treasury and capital markets.

Whatever the implications for U.S. indebtedness, American power or U.S.-China relations, the underlying problem is a so-called "macroeconomic imbalance." If major economies tilt so heavily toward selling exports—without commensurate economic activity on the buying side—the resulting deficits and

surpluses could eventually bankrupt the indebted consumers.

The need for "strong, sustainable, and balanced growth" was acknowledged by G-20 leaders at their September 2009 summit in Pittsburgh and elaborated nine months later in Toronto. The shift from previous meetings, where imbalances were a taboo subject, reflected earlier Chinese resistance and then an eventual bow to reality. Again, exports have been the basis for China's growth, which in turn has been used as the Communist party's basis for continued monopoly on political power. A shift to greater domestic consumer demand is uncharted territory. Nor is China alone. The dispute between the U.S. and Germany over deficit reduction also reflects Germany's reluctance to boost consumption.

Given the difficulties for both sides of the imbalance—belt-tightening for the buyers, uncertain domestic markets for the sellers—how can the international community tackle this challenge? A partial answer lies in the intense political jostling on display at G-20 summits. The summits put a spotlight on ongoing (mostly quiet) efforts by the U.S. and others pressing China to let market forces boost the value of its currency, as opposed to China's longstanding practice of tailoring its purchase of U.S. bonds to keep the yuan and the price of Chinese exports low. Just prior to the Toronto summit, Beijing relented and promised a gradual appreciation of its currency, but follow-through was minimal at best. At the November 2010 summit in Seoul, Republic of Korea, the lack of progress on a multilateral solution prompted fears of the opposite: unilateral moves by other governments to weaken their own currencies, a practice called "competitive devaluation." The U.S. came under criticism for the Federal Reserve Bank's recently announced injection of \$600 billion in monetary stimulus, a move aimed at prodding a weak recovery in the U.S. rather than weakening the dollar in foreign exchange markets.

One potential lesson from these quarrels is that currency valuation may be too fraught a subject for any inter-

governmental forum. And here the G-20's framework for strong, sustainable and balanced growth could be quite constructive, potentially offering mechanisms to analyze alternative economic policies and their impact. Similar to the way health care reform proposals were "scored" by the Congressional Budget Office during that debate, economic re-

balancing steps (or lack thereof) will be assessed for their expected impact on the global economy. At the meeting of G-20 finance ministers prior to the Seoul summit, U.S. Treasury Secretary Timothy Geithner proposed that countries should keep their current account deficit or surplus to a level less than 4% of their gross domestic prod-

uct (GDP). While this was rejected as too crude a measuring stick, leaders at the Seoul summit tasked the finance ministers with developing "indicative guidelines" that would combine more macroeconomic factors. As a U.S. official involved in the issue described it to the author, it will be a "battle of the spreadsheets." ■

## Economic and human development

**T**HE FOCUS of international economic policy is on the health of the overall global economy and whether output is growing. The economic development and poverty reduction agenda is more concerned with living standards, particularly for those who have not enjoyed the benefits of globalization. The two sets of issues are of course related. Steadily rising GDP is essential for underdeveloped nations, as demonstrated by the impressive growth-based progress in China and South Korea. Still, as Economics 101 teaches us, market forces distribute resources and income without any moral considerations for what is equitable.

From the perspective of international norms, the centerpiece for the development agenda is the Millennium Development Goals (MDGs) adopted at a UN summit in 2000. The MDGs specify targets to be achieved by 2015 in eight areas, including education, infectious disease, nutrition and poverty reduction (focus on people living on less than a dollar a day). The goals are mostly pegged to people's daily living conditions—children's school attendance, incidence of preventable disease—and have solidified not only as a framework for UN summit meetings to check progress every five years, but also for the ongoing work of governments and international agencies.

Now 10 years into the 15-year period, there has been enough progress to put the MDGs within reach. Sub-Saharan Africa has been a concern, given the region's relative lack of progress compared with Asia and Latin America, but

modest gains in Africa have provided a basis for optimism. Efforts such as the UN's Global Fund to Fight AIDS, Tuberculosis and Malaria have increased the availability of antiretroviral drugs to 2.8 million people and helped cut HIV infection rates in Africa by one fifth. That said, this improvement could be quite fragile, with concerns about whether solid structures and mechanisms for development are being built to sustain and spread progress.

Looking at economic development from the perspective of human development, interconnected factors show a potential virtuous cycle. Levels of educational attainment, for instance, go hand in hand with the ability to earn income.

For that matter, school feeding programs for students have proven highly effective in boosting the attendance and health of children. The impact for girls is especially dramatic; staying in school helps keep girls from marrying and becoming pregnant in their early teens.

The availability of staple foods is a major concern, especially after dramatic global price spikes of between 100% and 300% for most grains between 2006–2008, leading to food riots across the developing world. In response, developed and developing countries are banding together along with the World Bank and UN experts from the Food and Agricultural Organization (FAO), aiming for a rise in crop yields comparable to the green rev-



*Held by his mother, three-year-old Kassia Keita is one of the nearly 2% of Mali's 12 million people who are either HIV-positive or have AIDS. The UN's Global Fund has set up health centers that offer free testing and treatment as part of an international economic policy aimed at combating AIDS, tuberculosis and malaria. This photo was taken in 2008; Kassia died in the fall of 2010. (PAOLO PELLEGRIN—MAGNUM PHOTOS)*



olution in agricultural technology in the middle of the last century. World leaders at the 2009 G-8 summit in L'Aquila, Italy, pledged \$20 billion over the next three years to enhance food security.

Whether the development challenge involves keeping kids in school, reducing preventable deaths from malaria, or building better roads for peasants to bring goods to market, all of them depend on solid government and private-sector systems in order to be sustained over time. Short-term infusions of financial assistance will not really solve problems if there are no structures to carry progress forward—for instance to pay teacher salaries or keep local clinics staffed. Another key international norm for poverty reduction took shape at the 2002 UN conference on development financing in Monterrey, Mexico, where leaders emphasized that development is a true collaboration with recipient as well as donor governments sharing responsibilities.

For instance, international aid agencies have been working to emphasize local ownership of development projects to ensure they are in line with the real needs and priorities of the people of the country itself. Donors have also highlighted the need for transparency to cut down on corruption and the di-

version of public resources to private bank accounts. Nongovernmental organization (NGO) advocates around the world have been pushing for multinational corporations in the extractive industries (oil, natural gas, precious metals) to reveal what they pay for mineral rights—a new requirement included in the recent U.S. financial reform law. Similarly, the issue of tax collection in developing countries is becoming more prominent. While the majority of people in recipient countries are impoverished, the donor governments that provide assistance are emphasizing the need for local elites to pay their fair share of public revenue.

While the MDGs have a 10-year history and a prominent place on the UN agenda, the South Korean government used its term as host of the November 2010 summit to initiate a new G-20 development framework that focuses more on fostering economic growth. The so-called “Seoul Consensus” launches an extensive process to identify and fill the gaps in infrastructure, technical know-how, or credit access that impede growth in underdeveloped economies. The new process, developed in conjunction with South Africa, will work with developing countries to draw up action plans.

## Protecting human rights

International human rights treaties, declarations and mechanisms cover a broad spectrum of fundamental rights and protections. The 1948 Universal Declaration of Human Rights, for instance, is the source text of modern human rights norms and enumerates principles on subjects as diverse as torture, discrimination, judicial due process, free expression, assembly, religious worship and elections. Many of these rights were subsequently elaborated in formal and legally binding treaties.

Debates more recently—about human rights norms that are just taking shape—raise questions of when new standards are needed and how they take hold. How do new ideas and standards relate to norms already in place? What is the danger of a norm being misused and serving as a pretext for repression? And what is the relationship between the fixed principles expressed in human rights standards and the political dynamics and decisions on which their enforcement depends?

In the 1990s, the issue of military intervention to halt mass atrocities was front and center. The international community remained aloof from some of the period's worst bloodletting, such as in Rwanda, and even some of its forceful interventions came belatedly (Bosnia, Sierra Leone). There was little ambiguity regarding the human rights standards being violated in these tragic hot spots, but the international response was improvised and ambivalent at best.

The “never again” pledge has been a difficult vow to uphold. The perpetrators of atrocity cloak their abuses, denying all charges and blocking outsiders from coming in to witness their actions. Nations are reluctant to intervene forcefully because even if they have sufficient military strength, they are up against adversaries with greater motivation and less self-restraint. And many of the world's less powerful nations resist outside meddling in what they consider internal and sovereign matters—in part because they are less powerful. If anything, when the U.S. used Saddam Hussein's gross abuses as a (post facto) justification to invade Iraq, it stoked fears that the humanitarian



*Farmers tend to their crops under plastic covering in the compact yellow earth, known as loess, of western China's Shaanxi province, May 2005, on the outskirts of Yan'an. World Bank loan projects are helping rehabilitate the loess plateau, allowing the local population to grow crops in a once desolate landscape. (FREDERIC J. BROWN—AFP/GETTY IMAGES)*



rationale was merely a cover story the strong would use against the weak. (Saddam's worst crimes against the Kurds and the Marsh Arabs had taken place 12 to 15 years earlier.)

The new international norm for humanitarian crises responded directly to concerns about intrusion on national sovereignty. The 2001 report of the International Commission on Intervention and State Sovereignty, titled "The Responsibility to Protect," reframed the question. Where the issue had previously been cast as the right of countries to intervene in another nation, the commission said the real issue was the responsibility of nations for the protection of people's basic rights and security. The question therefore was not about outsiders superseding national sovereignty, but whether local authorities are fulfilling their sovereign duty to protect their populations from harm. If a government defaults on this fundamental protection within its borders, it has abdicated sovereignty, which other governments must assume in its stead.

Within just a few years, world leaders at the September 2005 UN summit affirmed the principle in their outcome document:

"[W]e are prepared to take collective action, in a timely and decisive manner ... should peaceful means be inadequate and national authorities are manifestly failing to protect their populations from genocide, war crimes, ethnic cleansing and crimes against humanity."

In 2008, UN Secretary General Ban Ki-moon described the norm as comprised of "three pillars": the onus a nation-state bears for the security of its population, international support to bolster governments' capacity for effective protection and conflict prevention, and decisive international action to halt the worst forms of persecution.

Two key questions for the responsibility to protect (or R2P) show the tension between broad-gauge diagnosis and the factors that vary with each case, such as ground-level realities or diplomatic alignments. One difficulty stems from the very nature of a preventive effort. Whenever a threat of mass atrocities is plainly apparent, it is already late in the game.



*A police officer attempts to secure an area in front of burning buildings during violent riots that broke out in Nairobi, Kenya, January 2, 2008, after a contested presidential election. Political mediation by the international community and its R2P mandate is credited with securing a peaceful solution to the crisis. (KAREL PRINSLOO—AP)*

Optimally, efforts at prevention should deal with the threat even before the storm clouds of crisis have gathered. Yet some of the avenues to lower risk of violence—e.g., reducing corruption, widening opportunities that elites monopolize—are indistinguishable from long-term development. They are undoubtedly worthwhile, but hard to characterize as genocide prevention. Two successful cases are widely viewed as falling within the pre-crisis "sweet spot": political mediation in Kenya after its December 2007 election and the UN Preventive Deployment Force that kept the Balkan wars from spreading to Macedonia in the 1990s. One challenge for the current debate is to clarify this category.

Another regular theme of the R2P debate has been a call for better early-warning mechanisms. Here again, it is easy to overestimate the idea's potential benefit. An enhanced system to track events on the ground, analyze the risk of conflict, and convey the information to key decisionmakers could help, but it would not remove tough policy choices from the equation. In the end, progress depends on an international consensus that certain categories of mayhem must be resisted. The good news is the lack of significant backtracking in the UN General Assembly's July 2009 debate on R2P. The bad news is that continuing violence

in Sudan, Congo and elsewhere shows how inadequate the consensus still is.

This topic has surveyed many of the high-stakes issues confronting decision-makers from around the world as they strain to hash out solutions. Each section took an item from the multilateral agenda, identified the prevailing norm or principle under which that issue is debated, and mapped the political and policy differences that must be bridged to craft an effective response to the problem. It is a picture of the world community setting the terms of the 21st century international order. Will those terms be politically, economically, and environmentally sustainable?

The depiction in this topic was also drawn with the hope of avoiding some common pitfalls in the debate that surrounds multilateral issues. The problem is apparent in the language often used in talking about these questions. The "ism" at the end of multilateralism, for instance, implies a faith that the diplomatic process will produce solutions, almost by magic. It is crucial to grade multilateral forums on their substantive contributions not their mere existence—to demand that nations come to agreements, not just come to meetings. ■



**Opinion Ballots  
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## discussion questions

1. In what ways did this portrait of multilateral diplomacy compare with your own perception of how such efforts work?
2. Given an international agenda with such large-scale and complex challenges, do you think that U.S. foreign policy is currently focused on the right priorities?
3. Viewing the political and diplomatic divisions over the issues on the global agenda (climate change, nonproliferation, the global economy, human rights), what are the major differences in thinking among the leaders of the international community? How should U.S. policymakers try to deal with them?
4. Recognizing the divergence in national interests among different countries, are there also common interests in relation to the major current global challenges? Which nations share those interests? A majority of the international community? The world's pivotal powers? Whether you perceive considerable or limited common interests, evaluate their prospects.
5. What role can (or should) the U.S. play as an international leader? What are the reasons for the U.S. to promote its views, and to what extent must it adjust to the views and concerns of others? Can a balance be struck between the two?
6. The topic emphasizes international norms (only some of them in the form of treaties), moral authority and the expectations placed on leaders to compromise for the sake of the common good. Do you think policymakers really feel these pressures and respond to them?
7. There seems to be a trend toward multilateral cooperation and incremental progress and away from formal treaties and negotiations among the entire community of nations. Do you consider this the most realistic approach for the world of today?

## suggested readings

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Johnson, Rebecca, "Assessing the 2010 NPT Review Conference." **Bulletin of the Atomic Scientists**, July/August 2010, pp. 1–10. Excellent synopsis of the most recent NPT review. The Arms Con-

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Schwanen, Daniel, "The G-20 Framework for Strong, Sustainable And Balanced Growth: A Study in Credible Cooperation." **The Centre for International Governance Innovation G-20 Paper #4**, June 22, 2010. 20 pp. Available free online at: <[www.cigionline.org/publications/2010/6/g20-framework-strong-sustainable-and-balanced-growth-study-credible-cooperation](http://www.cigionline.org/publications/2010/6/g20-framework-strong-sustainable-and-balanced-growth-study-credible-cooperation)>. Examines the initiatives and framework for global economic coordination that have come out of recent G-20 meetings.

Shorr, David, and Schiffer, Michael, **Powers & Principles: International Leadership in a Shrinking World.** Lanham, MD, Lexington Books, 2009. 328 pp. \$32.95 (paper). In the author's own coedited collection, each chapter focuses on a powerful nation and the steps it could take to help strengthen the rules-based international order.

Weiss, Thomas G., and Thakur, Ramesh, **Global Governance and the UN: An Unfinished Journey.** Bloomington, Indiana University Press, 2010. 448 pp. \$29.95 (paper). Drawing from their ongoing project on the intellectual history of the UN, the authors review the norm and instruments developed in the UN to deal with many of the issues discussed in this topic.

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