



# On Reforming the International Order

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The past eight years have been a period of retreat and revival for multilateralism.<sup>1</sup> Retreat in the face of the most concerted unilateralist strategy undertaken by a US administration in half a century. Revival because during the Bush administration's second term, there was an emerging political consensus that multilateralism was a critical element of American power.

Yet revival did not promise restoration, but reform. The financial crisis of 2008 was merely the latest sign that greater multilateral cooperation was both necessary and difficult. Indeed, scholars and practitioners who favor multilateral diplomacy have acknowledged weakness in the existing architecture and emphasized the need to retool and reform institutions to cope with the challenges of the 21st century.

The "reform not restoration" theme has been evident in numerous reports, books, and articles on grand strategic choices over the past four years, from both liberals and conservatives. The Princeton Project on National Security has argued that the world is under-institutionalized and called for both the reform of existing institutions and the creation of new ones.<sup>2</sup> Separately, one of the Princeton Project's co-directors, John Ikenberry supported the creation of new super "milieu setting" institutions that would serve multiple purposes in an uncertain and changing world.<sup>3</sup> Peter Beinart has argued that only through a new period of institution building can the United States win the war on terror.<sup>4</sup> The Managing Global Insecurity Project of the Brookings Institution has identified reforms of international cooperation in

specific issue areas and called for an expansion of the G-8.<sup>5</sup> These ideas also filtered into the political discourse, with then-presidential candidate Barack Obama repeatedly calling for the reform of international institutions and the international order.<sup>6</sup>

Some conservatives have advanced similar ideas. For instance, Ruth Wedgwood wrote in favor of fostering competition between the United Nations and other organizations, both current and new, while Daniel Drezner observed that the Bush administration was quietly seeking to empower emerging powers in international institutions at the expense of America's traditional European allies.<sup>7</sup> The President of the Council on Foreign Relations, and a former head of policy planning during the Bush administration's first term, Richard Haass, wrote that multilateralism "must be recast to include actors other than the great powers...Multilateralism may have to be less formal and less comprehensive, at least in its initial phases. Networks will be needed alongside organizations. Getting everyone to agree on everything will be increasingly difficult; instead, the United States should consider signing accords with fewer parties and narrower goals...Multilateralism à la carte is likely to be the order of the day."<sup>8</sup>

And, Francis Fukuyama coined a phrase that encapsulated the substance of many reformist ideas—"multilateralism." He wrote, "The world is far too diverse and complex to be overseen properly by a single global body. A truly liberal principle would argue not for a single, overarching, enforceable liberal order

but rather for a diversity of institutions and institutional forms to provide governance across a range of security, economic, environmental, and other issues.”<sup>9</sup>

Yet remarkably little has been written about how we should think about “multi-multilateralism” in particular and reform more generally. There are key unanswered questions about what role new institutions will fulfill, whether they will undermine or strengthen existing organizations, when a state should go work within one rather than another, and whether there is a hierarchy of legitimacy.

The central claim of this paper is that, while there is much value and insight in the recent debate, several serious gaps need to be acknowledged. I make three arguments:

1. The weakness of the international order has been falsely diagnosed, so the solution is unlikely to solve the underlying problem and may even make it worse. Reform has been targeted toward compensating for a legitimacy deficit—the exclusion of important states from the international corridors of power—whereas the real reason institutions do not work is that major states do not agree on how to tackle shared challenges. Placing the priority on broader participation and inclusion will likely increase deadlock, thus weakening the architecture of cooperation, not strengthening it.
2. Any solution must improve bilateral relationships and base institutional cooperation on a pre-existing commonality of interest. States should work to convert their strongest bilateral relationships into multilateral arrangements. Beyond mere shared commitment to an aspirational goal, true common interests are rooted in considerable overlap of how countries see and reach solutions to problems. There is an inherent tension between prioritizing the search for common ground and prioritizing fair representation of regions, religions, economic development, and systems of governance.
3. On the other hand, interest-based cooperation does bring a risk of weakening the international order by undermining existing universal and regional arrangements such as the United Nations and the European Union. Therefore, all reforms ought to follow a single principle:

*Reform of international institutions should bring about more effective international cooperation on critical challenges in a way that does not inadvertently worsen tensions with other states.*

In order to operationalize this principle, I offer a taxonomy of four sets of international challenges to clarify the circumstances in which different multilateral approaches—ad hoc arrangements between small numbers of states, regional, and universal approaches—are most suitable. I then show how this analysis can be incorporated into a policy on intergovernmental organizations designed to reform institutions to deal with some of the most pressing challenges facing the United States, including the global economy.

## Section 1: A False Diagnosis

The first question that must be asked is why do US foreign policy experts believe that the international order is in urgent need of reform? Part of the answer has to do with US unilateralism but this has a fairly straightforward solution—the United States could simply decide to recommit itself to multilateral cooperation—with no intrinsic requirement for reform. In reality, simple reengagement is not an option; the perceived inability of international institutions to deal effectively with pressing international challenges has already caused a widespread loss of confidence in the existing order. The most notable examples include:

- the weakening of the Nuclear Non Proliferation Treaty (NPT).
- the failure to reach an inclusive agreement on tackling climate change.
- the ineffectiveness of international financial institutions to deal with the most important challenges in the global economy.
- the inability of the UN Security Council (UNSC) to agree on how to defend and promote human rights in Kosovo, Zimbabwe, Darfur, Burma, Georgia, and elsewhere.
- the collapse of peace talks in the Middle East.

All of these examples and more can be found in the major works on institutional reform. But these failures are the result, not the cause, of insti-

tutional weakness. This begs the question: why did these failures occur?

The standard answer is that the international order reflects the world at the time those institutions were built, not the world as it is now. This manifests itself in two ways. First, the challenges are different today and the levels of interdependence are greater. Therefore, there is a pressing need for greater cooperation that is not being met. Second, the distribution of power has shifted. Countries like India, China, Japan, Germany, South Africa, Indonesia, Nigeria, and Brazil are all more or less excluded. This has created a crisis of legitimacy: large parts of the world are not adequately represented at the high table. The solution, therefore, is to create new types of organizations and reform existing ones so that the new challenges are met and that the voices and interests of the most populous and powerful states are heard and taken into account. Only then will the international order be up to the challenges of the age. Particular solutions include an enlarged UN Security Council, an enlarged G-8, increased representation for Asia at the International Monetary Fund (IMF), and a new East Asia security forum.

To some extent, this diagnosis is correct. There are problems, like a potential global pandemic, to which the international order has failed to respond, or at least not until very recently.<sup>10</sup> There are also coordination problems and information deficits that can be dealt with by reform of institutions like the International Monetary Fund (the “surveillance mission” to ensure that information about the global economy is disseminated) and the United Nations (in counterterrorism). However, while extraordinarily important, these difficulties are part of a different problem set from those that motivated the great push for reform. If the core issues were legitimacy and relevance, then we would have expected to see those outside of the order organizing to protest and thwart the best laid plans of those on the inside. For instance, Japan, Germany, India, and Brazil would be at the forefront of stymieing UN Security Council intervention.

This, however, has not happened. Rather, those on the inside have been unable to agree among themselves. At the UN Security Council, the United States finds itself at odds with China and Russia on Darfur and on tougher sanctions against Iran.

China may lack adequate representation in the IMF, but the cause of Chinese-US tensions over currency valuations is a clash of interest that would not be resolved by membership-based reform. And when those from the outside have been included, the process has become more, rather than less, complicated. For instance, it was South Africa as a member of the UN Security Council that led the opposition to a resolution on Zimbabwe in June 2008. In fact, it is difficult to come up with an example of an issue before the UN Security Council where action failed because key players were absent from membership of the UNSC. The issue is the failure of countries to agree on how to tackle international challenges. Unfortunately, many of the proposals for reform run the risk of exacerbating this problem.

Proposals to reform the international institutional order tend to look at different countries in terms of how they fit into the international system—are they developing or developed, what is their religious faith, how populous are they, how much economic power do they have, how much military power, what region are they a part of, what sort of government do they have, for example. All these questions are asked to ensure that future institutions reflect the world as it is—materially, geographically, and philosophically. Consequently, analysts call for one or two leading African states, a Latin American state or two, a balance between Europe and Asia, and so on. In effect, advocates of reform treat these states like billiard balls—if one isn’t available, another of a similar size and weight will do. It is striking that the bilateral relations between the United States and the state in question is largely missing. For instance, there is a dearth of analysis on Brazil’s preferences, interests, and behavior and whether or not they are compatible with the preferences, interests, and behavior of the United States. What serious consideration does exist follows an earlier decision to include a particular state as a potential new member, rather than support membership following recognition of an overlap of interests and preferences. Legitimacy, defined in terms of materialism, geography, ethnicity, and religion, either trumps interests or is assumed to determine them.

The United States has made the mistake before. During World War II, President Roosevelt believed the Soviet Union would be an important partner because of its national power; he did not

fully appreciate the degree to which Soviet behavior, preferences, and interests were incompatible with those of the west.<sup>11</sup> After World War II the universal international order fell apart as Americans quickly understood that Stalin's intentions, while relatively consistent with his tsarist antecedents, were at odds with those of the United States and Western Europe. Only if the United States and the Soviet Union agreed bilaterally on fundamental issues, such as influence in the Mediterranean and the future of Eastern Europe, would an institutional relationship have been possible. Unfortunately, the domestic politics imperative of guaranteeing Soviet participation in the United Nations Organization caused Roosevelt to overlook, and indeed suppress, diplomatic warnings about Soviet intentions. During the Cold War, US diplomacy was at its strongest when the president and the secretary of state sought to understand their Soviet and Chinese counterparts. By and large, these diplomatic missions occurred outside of international institutions. Détente, for instance, only had a small institutional component and that was a byproduct rather than a cause of the easing in tension.

No states today pose as great a danger as the Soviet Union did in the mid 1940s. The interests of the vast majority of states appear to be more aligned with those of the United States. That said, the United States is largely ignorant of how proposed additions such as the "+5" or the "P4" would actually behave in the G-8 or UNSC. The debate is, again, focused on legitimacy. Yet, there is no guarantee that expansion to advance legitimacy will result in increased effectiveness. The veto at the UNSC will not be removed. States can informally agree to restrict usage but this will never be codified into law, meaning that the potential of a veto will always hover in the background. An enlarged G-8 will likely find it more difficult to find agreement on issues like Zimbabwe and Darfur. Enlargement based on legitimacy also runs the risk of being counterproductive even on its own terms. The new members of the G-20 would, of course, regard the organization as legitimate but it would infuriate the G21-40, each of whom would argue that they should be included. Many countries may consider the G-20 as a greater threat to the United Nations than the G-8, precisely because it is somewhat more representative and therefore more legitimate.

The mindset that looks for the perfect architecture to achieve representative legitimacy is mistaken. However, the alternative path is also strewn with dangers. Simply allowing interest-based ad hoc coalitions of the willing to coalesce on a case-by-case basis opens the door to unilateral action where the most powerful states decide what they want to do and persuade a handful of supporters to go along. Among other things, this is the approach that leads directly to Operation Iraqi Freedom—meaning that some formal structures are imperative. The key therefore is to find guidelines that will allow the flexibility for effective cooperation without inviting dangerous consequences. In other words: *Reform of international institutions should bring about more effective international cooperation on critical challenges in a way that does not inadvertently worsen tensions with other states.*

What do I mean by this? The effectiveness test means that a reformed or new institution must facilitate cooperative action that helps states accomplish the stated goal. On climate change, any multilateral arrangement must advance a solution to the global problem, and not just offer a way for major states to escape their responsibility. "Without inadvertently escalating tensions with other states" means that cooperation should not have the unintended consequence of subverting the interests of other states and therefore alienating them. For instance, Western recognition of Kosovo sparked concern in other countries worried about their own secessionist movements. The operative word here is *inadvertent*. States can consciously decide to escalate tensions over a certain issue, but they should be aware of that trade-off and intentionally choose it as a matter of policy; it should not just happen inadvertently.

## Section 2: One Size Does Not Fit All: Four Sets of Challenges

If one applies this principle to pressing matters about how to reform the international order, it becomes apparent that there are at least four sets of international challenges, which I outline in this section, with varying incentives for the scale of the associated cooperation—universal, regional, coalitions of the willing, or bilateral. Tailoring the structure of international cooperation in each case along the lines of the principle outlined above—advancing effective cooperation while avoiding inadvertent escalation of tensions with other

states—should lead to an international architecture of cooperation that is flexible, appropriate, streamlined, and efficient.

### Very Important States

One set of problems requires urgent coordinated action by a small number of very important states (VIS). Their action would be a net gain for all states and have no detrimental impact upon the interests of others. Action by all states is of secondary importance and would actually be counterproductive if it seriously impeded cooperation by the VIS. In fact, bilateral or mini-lateral cooperation by the VIS may be a necessary prerequisite for broader cooperation.

Consider the US-Soviet nuclear arms reductions in the 1970s. These negotiations were bilateral—efforts to enlist all nuclear weapons states would have slowed down the process, universal participation was less important than bilateral action, and in the end the bilateral deal facilitated broader arrangements like the Comprehensive Test Ban Treaty and the renewal of the NPT.

The current analogy is with the international negotiations on tackling climate change. In Bali in December 2007, the international community agreed to move toward a new binding treaty by December 2009 in order to agree on a replacement for the Kyoto Protocol which is due to expire in 2012. However, the complexity of the challenge and the array of interests in a universal process makes serious progress toward a deal unlikely. Any universal agreement would likely fall short, whenever it is reached, because of the need for a one-size-fits-all solution. The realities of climate change are that no progress is possible without dramatic and meaningful action by the planet's largest polluters, especially the United States, China, and India. Indeed, action by these states is a necessary precursor to universal cooperation and not a means of undermining it. No other country will suffer or have its interests damaged because of significant reductions in carbon emissions by a group of two or three, or for that matter unilateral action.

To the extent that the Copenhagen process can be accompanied by a range of mini-lateral arrangements between VIS, it is fair to say that the chances of a broader deal are improved. The key is to ensure that this mini-lateralism is not a means for the VIS to do less and avoid their responsibilities;

rather it should serve as a confidence-building measure to convince others that their actions will contribute to an actual solution to the problem rather than just serve as a symbolic act. Climate change is the most obvious challenge where countries should be encouraged to experiment with good faith cooperative initiatives to reduce carbon emissions, even if they are selective and ad hoc. The same may also be true for certain types of arms control agreements (where there is a large disparity between the VIS and all other states) or aspects of the global economy such as the surveillance and management of capital flows.

### Universal Compliance or Overwhelming Participation

A second set of problems can only be tackled if all or most states are a party to the solution from an early stage. For example, the nuclear nonproliferation regime requires that all states fulfill their obligations under the NPT. If 95% of states agree but Iran and North Korea do not, then the regime has suffered a serious failure. Small coalitions can treat the symptom of the problem by rolling back the actions of problem states but they will have a hard time imposing a norm. Only a process whose legitimacy is recognized by the vast majority of states by common consent can keep all but one or two exceptions in check and ensure that renegades are effectively dealt with. Therefore, the institutional requirement is for an agreement or norm that covers as many states as possible.

This logic also holds for most problems in the global economy—although here, fully universal compliance is not as necessary as a slightly lower standard of overwhelming participation.<sup>12</sup> I will discuss the particulars of how to structure international financial institutions in the next section but will note now that, in an integrated global economy, the stability of all major economic powers depends in part upon the decisions and governmental and regulatory processes of other states. Regulation must be coordinated among states, and destabilizing imbalances between emerging and industrialized economies have to be unwound in a prudent, finely tuned, and deliberate manner. Therefore, the international financial architecture must appear legitimate both to developed and emerging economies so that they feel compelled to heed institutions when they insist upon the adoption of certain measures deemed necessary for the greater good of the global economy.

## The Risk of Precedent

A third set of problems concern specific crises in which the immediate impact of a response might not detrimentally affect the interests of others if addressed ad hoc, but nonetheless threaten to create a precedent that is viewed as harmful. The Responsibility to Protect is a prominent example of this dynamic. Few states have a direct interest in protecting the Sudanese government, but many states worry about creating a precedent that will allow intervention in their own countries. China is not directly threatened by NATO intervention in Kosovo, the accidental bombing of China's embassy notwithstanding, but it worries about the implications for its own secessionist movements. The risk of precedent means that actions in one case may lead to consequences in other cases that are not fully appreciated at the moment of decision. As we create new institutions or reform existing ones, it is important to realize that no action should be taken that may detrimentally affect the interests of other states unless:

- a) There is broad-based, overwhelming, legitimacy for such an action,
- or
- b) the member states fully consider the risk of an increase in tension with other states and agree that it is an acceptable price to pay or a desirable outcome in its own right.

Option A may be more achievable if states frame collective action, particularly military humanitarian intervention, as a rare exception to the rule—a product of very special circumstances—rather than an attempt to advance a universal norm. The risk of doing otherwise is that cooperation on one issue among a small group of states perceived as exclusive may actually reduce the net level of cooperation with other states on seemingly unrelated matters. In terms of institutional design, states will naturally try to win legitimacy for their actions at the United Nations (and, failing that, at regional forums like NATO), but when they move to nonuniversal settings, they must take the precautions described above in order to avoid damaging the general architecture of cooperation.

## Regions with Traditional Security Concerns

A fourth problem set is traditional and regional—states that must cooperate on key issues, yet are also engaged in security competition. The case in point here is the East Asian security

order which is built on a hub-and-spoke system of bilateral alliances with the United States. This arrangement contrasts sharply with the US-sponsored architecture of multilateral cooperation in Western Europe. While the origins of this divergence have been much debated, most analysts focus on aspects of the US strategic logic behind the suppression of multilateral cooperation in Asia.<sup>13</sup> Unresolved differences and disputes—related to territory, distrust, and hatred bred by war and ethnicity—served as a brake on the rapprochement of America's democratic allies with communist states like China, North Korea, and the Soviet Union; bilateralism was pursued as preferable to Pan-Asian sentiment that could have jeopardized US equities in the region; and it allowed the United States to exercise greater control over its allies than if it had to deal with them collectively.

However, much has changed. The Cold War is long over. Asia is in the midst of a historic power transition and appears to be becoming multipolar. While US bilateral alliances continue to underpin Asian security, some of the spokes, particularly South Korea, have been engaged in robust internal debates about their relationship to the US hub. Economic integration has brought nations closer together, but some forces push them apart: rising nationalism stoked by unresolved historical grievances; the normalization of Japan, fueled by its own genuine insecurity, which then exacerbates the fears of others; a reversal of economic fortune that could prompt the Chinese Communist Party to resort to belligerent nationalism as a source of domestic legitimacy; the introduction of advanced new conventional military capabilities to the region; the ongoing danger, among others, of a collapse of either Pakistan or North Korea; the continuing competition for scarce resources such as food, water, and energy; and the emergence of transnational threats such as terrorism, climate change, and a global pandemic. Whether or not dealing with Northeast Asia by discouraging regional multilateralism as a strategic goal once served US interests, it is now dwarfed by the risks of great power rivalry. In contemporary Asia, bilateralism is certainly necessary—the US alliance is, for instance, what dampens security competition between Japan and its neighbors—but it is no longer sufficient.

The question is what sort of institutions can be created that address the real insecurities of Asian states while also preserving collaboration on key

issues. Should all institutions be open to all states, should states be forced to choose between competing models, or should the United States oppose multilateralism and focus solely on strengthening bilateral alliances? The answer probably lies in a combination of bilateral, mini-lateral, and multi-lateral structures that preserves the key US role in the region but also builds confidence between China and its neighbors. In order to adhere to the principle articulated above, it is important that this institution building not lead to the emergence of competing cooperative blocs; therefore it would help if the institutions overlapped, with all major countries cooperating with every one of their neighbors in at least one forum on one issue even if they are excluded from other forums on different issues. As long as the overall structure is inclusive, major powers should not fear not being a part of every organization. The Shanghai Cooperation Organization (SCO) is a good case in point. The SCO is the object of considerable suspicion in the United States but when Russia went to the SCO hoping to garner support for its invasion of Georgia, China refused to provide it, thus suggesting considerable limits to Chinese-Russian cooperation—probably due in no small part to the complex web of cooperative relations China enjoys with the United States and its allies.

### Section 3: The Next Twelve Months

In the preceding sections, I have described a variety of categories, each of which select a different sort of structure to advance international cooperation. What does this mean for the reform of international institutions early in the Obama administration? The first point to be made is that the initial months of the Obama administration will be dominated by the need to stabilize the global economy—an effort that will eventually be complemented by more structural reform of the international financial architecture.

#### The Global Economy

There is no doubt that international financial institutions are in dire, although not necessarily urgent, need of membership-rights-based reform.<sup>14</sup> The basic facts are well known. The IMF and the World Bank were created as part of the US- and UK-dominated Bretton Woods agreement in 1944. As such, both institutions are dominated by the United States and Western Europe. An American always heads the World Bank while the top position at the IMF always goes to a European. The European Union either appoints or has a major say

in appointing ten members of the IMF's 24-seat board. The United States began with 30 percent of the vote and now has 17 percent following rolling adjustments. This still amounts to a controlling stake, though 85 percent approval is required for action. Meanwhile, India has only 1.91 percent of the total vote while Belgium has 2.09 percent despite its economy being exponentially smaller.<sup>15</sup> China has 3.66 percent, well behind the United Kingdom's 4.86 percent.

Even before the credit crisis, as Lorenzo Bini Smaghi, an executive board member of the European Central Bank, acknowledged, "Europe's inability to reduce its number of representatives and speak with one voice creates tensions with other major countries."<sup>16</sup> This is more than just an abstract concern about legitimacy. China has accumulated unprecedented amounts of dollar reserves. Its economy is on track to match that of the United States within the next 20 years. Its relatively fixed currency, combined with a current account surplus, is the focus of considerable controversy in the United States. It is universally recognized that China must be at the heart of any arrangement to stabilize and reform the global economy. More broadly, to the extent that the IMF exists to cope with crises, emerging markets are intrinsic to its mission. The transfer of large amounts of capital to emerging markets usually results in a financial crisis and now we are discovering that the opposite dynamic—the failure of emerging markets to allow in foreign capital—can also wreak havoc.<sup>17</sup>

However, with all that said, another point is equally important. Reform of the IMF and the overall financial architecture to include emerging markets may actually prove counterproductive if it is not accompanied, or even preceded, by a deepening of bilateral cooperation generally between Western countries and individual emerging markets, but particularly between the United States and China. The original Bretton Woods Conference (held in 1944) included the 44 Allied nations, but in reality it was dominated by the United States and Great Britain. Of the two, the United States, an emerging superpower, held most of the cards.<sup>18</sup> Moreover, the summit followed years of difficult financial diplomacy conducted by America's Harry Dexter White and the legendary British economist, John Maynard Keynes. Nevertheless, despite the small number of participants, a clear leader, and laborious preparation, negotiators had great difficulty reaching agreement and then selling the deal.

Indeed, several historians argue that Britain would never have accepted the terms were it not for its weak post-war position and the need for US support against an emerging Soviet threat. The original Bretton Woods serves as a reminder that financial diplomacy is neither straightforward nor easy.

The November 2008 G-20 summit in Washington was styled as a “New Bretton Woods” but there will be a long way to go before the negotiations justify the comparison. The lack of a clear leader, the presence of multiple players, and the lack of preparation and advance negotiations, mean that the process will be more protracted and considerably more difficult than that of the original Bretton Woods. Indeed, what was agreed at November’s G-20 summit was regulatory reform of the financial sector, which, as Brad Setser has observed, only required cooperation among G-7 nations.<sup>19</sup> Matters that extended to emerging markets, such as “the macroeconomic imbalances that facilitated the expansion of leverage in the United States and Europe” went unmentioned.<sup>20</sup> As if to affirm the main point of this paper, the greatest progress within the G-20 was made amongst the countries that understood each other best, and had a track record of cooperation, on a bilateral basis.

A related point is that no institution will force China to float its currency or rely more upon domestic consumption for growth rather than exports. Indeed, there is some reason to think that an expanded forum with a wide variety of conflicting preferences and interests may lessen pressure on the Chinese rather than increase it. The international institution will only function if China is already convinced of the need for action, after which point it will play an invaluable role in coordinating, facilitating, and managing financial policy among the member states. Bilateral relations, through deep understanding and continuous negotiation, offer the best promise of guaranteeing this alignment in preferences. Therefore, even in a problem set that requires overwhelming participation, the above analysis suggests a shift in emphasis in current thinking on reform.

#### The United Nations and the G-8

A second issue, which is particularly pertinent at the beginning of the Obama administration, is the architecture of global cooperation outside of international finance, particularly with respect to

security matters but also development, public health, and human rights. During the Bush administration, the locus of liberal thinking about international institutions frequently centered on two proposals—reform of the United Nations, especially the UN Security Council, and expansion of the G-8 to a G-13, a G-16, or the G-20. In both, the primary question should not be how to make these organizations more legitimate, although that should be a concern, but how to make them more effective in tackling international threats and challenges.

An unsuccessful attempt at UN Security Council reform was made several years ago following the publication of the UN High Level Panel Report. Although there are rumblings that it may be attempted again, significant problems remain. Expansion to include rising powers is often not in the interest of the smaller neighbors of rising powers—or not so small in the case of Chinese opposition to Japanese membership. Perhaps more importantly, there is no reason to believe that a greater membership will improve the effectiveness of the UNSC unless the voting rules were to be reformed to remove the veto, which looks unlikely given the predisposition of the existing members. It is often said that the United States would oppose reform of the veto but it probably has more interest than other states in its modification since the United States is always advocating action rather than inaction. The real vested interests in preserving the veto emanate from the other four of the P5—China and Russia, who cherish the opportunity to frustrate American designs, and Britain and France, who know that the veto allows them to punch above their weight. A renewed push for reform under present circumstances would likely consume political capital, probably fail, and would further undermine the United Nations’ effectiveness. In the unlikely event that it succeeded, the result may be the same—new members with no reform of the veto means more gridlock.

But a different approach could be taken: a strategy at the United Nations and the G-8 specifically designed to increase net levels of international cooperation. As outlined in the previous section, this means different strategies for different problem sets. There are those like nuclear nonproliferation where some accommodation of outlier states will have to be made in exchange for their adherence to international norms, and there are occa-



sions when the G-8 should morph into a larger organization to include key actors integral to any strategy on matters like the global economy. However, there are other matters where a deepening of cooperation between like-minded states—of understanding the mindset of those presently opposed, maximizing the potential of those parts of the United Nations and the G-8 that already work but are currently neglected, and allowing select groupings to coexist with more universal mechanisms—may be a better approach.

At the United Nations this means better bilateral relations between the United States and member states in order to unfreeze the decision-making process at the Security Council, the Human Rights Council, and other entities that are sometimes either deadlocked or hijacked. In practice, this necessitates the integration of bilateral and multilateral diplomacy within the US Government. Presently, the US mission at the United Nations is not fully linked in with the relevant State Department desk and embassy when trying to enlist the support of a member state. More generally, the United States needs to invest more energy and political capital at the bilateral level in understanding why states like South Africa take the positions they do on human rights and security issues and work to change their preferences and incentive structure. The United States must also focus on reengaging with the United Nations where it is proven to work and ensuring that those missions are properly financed and given the support they need to succeed, for instance, in peacekeeping where UN missions remain under-resourced.

With respect to the G-8, some of its members, including France and Britain, have spent much of the past year calling for its abolition through enlargement to include an unspecified number of emerging nations, probably between five and twelve. The logic is one of legitimacy-based reform but before going down that path, it is worth recalling the potential and track record of this much-maligned organization.

While it is largely forgotten now, the G-8 used to employ sanctions in its early years as the G-7. Following India's nuclear test in 1974, the year before the G-7's formal founding, the G-7 initiated sanctions against India through the Nuclear Suppliers Group. In the following years it also threatened sanctions against a fellow member, Italy, when it appeared as if Italy might include

communists in its government. It restricted lending to the Soviet Union, took action against Libya (1986), South Africa (1987), China (1989), the former Yugoslavia (1997), Indonesia (1997), and terrorist financing (2001).<sup>21</sup> Recently the G-8 has served as a forum to build support for sanctions in the United Nations or European Union against Iran and Zimbabwe. It is fair to say, therefore, that it is not an entirely toothless organization. This raises an important matter in the institutional reform debate. Would replacing the G-8 with an organization of 20 states allow the G-8 to build on its previous accomplishments, or would it undermine them?

In fact, replacing the G-8 with a larger organization may just replicate the logistical and bureaucratic difficulties of the UN Security Council. This paper has made the argument that true reform must involve some understanding of why countries agree and disagree substantively on the intergovernmental agenda items of these organizations—and then build institutions out of a commonality of interests that has already been demonstrated at the bilateral level. In practice, this may mean having a set of parallel processes that will each focus on a particular area but not compromising the existence and effectiveness of relatively smaller forums.

## Conclusion

We often forget that the ultimate goal of reform is not to create the international order in the world's image. Rather, it is to enhance international cooperation to meet threats and challenges that can only be met multilaterally. Everything we do—every reform we embrace, every policy we adopt, every institution we create—must serve that goal. Otherwise, it's just window dressing designed to make us feel good. If the world weren't faced with severe threats, this might even be a laudable endeavor, but at a time of multiple and consequential challenges, it is a dangerous distraction and could even reduce net cooperation around the world.

In this effort to reform international institutions to increase the net levels of cooperation, the United States should not just rely upon formal state to state relations to identify future partners with similar preferences but it should also evaluate the work of numerous government to government networks which are often the strongest, most flexible, and adaptive tools of international

cooperation and global governance.<sup>22</sup> An examination of some of these networks is likely to reveal considerable overlap of interests that may point the way for more formal state to state cooperation in international institutions. Also, in many ways, networked cooperation is a means of engaging emerging powers without the downside of legitimacy based reform since it is flexible and can be tailored to maximize effectiveness.

As policy makers, analysts, and advocates work to increase cooperation among states, care must be taken to ensure that there are no unintended negative externalities. Cooperation within one group of states must not inadvertently arouse suspicion and security competition with another state or group of states. This approach has deep implications for how we think about reforming the international order. It means a move away from membership-based reform for its own sake, and it shifts the burden of proof to those states that argue that changing the rules to redistribute relative influence is inherently a good thing. Such proponents must show how new rules and institutions would actually lead to a net increase in cooperation.

The next step is to launch research designed to uncover the true nature of bilateral relations between the United States and other states and how those relations fit into a multilateral agenda. Which states are likely to have a set of shared interests that lend themselves to formalization in a larger multilateral structure? Why do existing international institutions perform sub-optimally? Can bilateral diplomacy change this, or are certain states irreconcilably alienated from the interests and values of others? It is only by asking and answering these questions that we can understand the sort of change that the structure of international cooperation truly needs. Only then will major reform be feasible, and helpful.

## Endnotes

- <sup>1</sup> As defined by John G. Ruggie, multilateralism means “coordinating relations among three or more states in accordance with certain principles” that involve “an indivisibility among the members of a collectivity” and “expectations of diffuse reciprocity.” See John G. Ruggie (ed.), *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press, 1993), pp. 8-144.
- <sup>2</sup> Anne-Marie Slaughter and G. John Ikenberry, *Forging a World of Liberty under Law: U.S. National Security in the 21st Century, Final Report of the Princeton Project on National Security* (Princeton, NJ: Princeton University, September 2006).
- <sup>3</sup> G. John Ikenberry, *Grand Strategy as Liberal Order Building*, Working Paper, March 19, 2007, <http://www.princeton.edu/~gji3/Ikenberry-Grand-Strategy-as-Liberal-Order-Building-2007-word.pdf>.
- <sup>4</sup> Peter Beinart, *The Good Fight: Why Liberals—and Only Liberals—Can Win the War on Terror and Make America Great Again* (New York: Harper Collins, 2006).
- <sup>5</sup> See [www.brookings.edu/projects/mgi.aspx](http://www.brookings.edu/projects/mgi.aspx).
- <sup>6</sup> See, for example, Barack Obama, “Renewing American Leadership,” *Foreign Affairs*, July/August 2007.
- <sup>7</sup> Ruth Wedgwood, “Give the United Nations a Little Competition,” *The New York Times*, December 5, 2005. Daniel Drezner, “The New New World Order,” *Foreign Affairs*, March/April 2007.
- <sup>8</sup> Richard Haass, “The Age of Nonpolarity: What Will Follow U.S. Dominance,” *Foreign Affairs*, May/June 2008.
- <sup>9</sup> Fukuyama, *America at the Crossroads: Democracy, Power, and the Neo-conservative Legacy* (New Haven: Yale University Press, 2007), p. 163.
- <sup>10</sup> See Laurie Garrett, “The Challenge of Global Health,” *Foreign Affairs*, January/February 2007.
- <sup>11</sup> See Wilson D. Miscamble, *From Roosevelt to Truman: Potsdam, Hiroshima, and the Cold War* (New York: Cambridge University Press, 2008).

<sup>12</sup> By which, I mean the difference between having no states violating the norm and a small number of states that are not part of the process. In nonproliferation, as described above, even one outlier can cause enormous problems. While there is some risk of contagion in the global economy, it is only really vital to have the vast majority of economic powers at the table.

<sup>13</sup> For example, see Kent E. Calder and Francis Fukuyama (eds.), *East Asian Multilateralism: Prospects for Regional Stability* (Baltimore: Johns Hopkins University Press, 2008).

<sup>14</sup> Most experts agree that restructuring of international financial institutions is important in the medium and long term but the steps that need to be taken now are largely within individual states rather than at the level of global governance.

<sup>15</sup> <http://www.imf.org/external/np/sec/memdir/members.htm>.

<sup>16</sup> Chris Giles, "Plans for a Fundamental Reform of the IMF Were Approved Yesterday," *Financial Times*, September 19, 2006, p. 8.

<sup>17</sup> Martin Wolf, *Fixing Global Finance* (Baltimore: Johns Hopkins University Press, 2008).

<sup>18</sup> See Richard N. Gardner, *Sterling-Dollar Diplomacy: Anglo-American Collaboration in the Reconstruction of Multilateral Trade* (Oxford: Clarendon Press, 1956).

<sup>19</sup> Brad Setser, The G-20 Communiqué, blog entry November 17, 2008 <http://blogs.cfr.org/setser/2008/11/17/g-20-post-mortem/>; For the G-20 communiqué see "Statement from G-20 Summit," *The New York Times*, November 15, 2008 [www.nytimes.com/2008/11/16/washington/summit-text.html](http://www.nytimes.com/2008/11/16/washington/summit-text.html).

<sup>20</sup> Brad Setser, "The G-20 Communiqué."

<sup>21</sup> John Kirton and Lynn Robertson, "Is Isolation of Unpleasant Governments a Winning Strategy?," Paper presented at Berlin Roundtable Meeting on *The Role of the G-8 in an Endangered Global Economic and Political Climate*, Berlin, June 1-2, 2007.

<sup>22</sup> See Anne-Marie Slaughter, *A New World Order*, Princeton, NJ: Princeton University Press, 2005.

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