

**Event summary: Multilateral Institutions – indispensable or irrelevant to global peace and prosperity?  
Monday 25 November 2019 at Hudson Institute.**

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Key take-aways:

- The US public remains strongly committed to multilateralism, recognizing that international cooperation is necessary to serve US interests.
- The US has a tough love approach to multilateral institutions which combines engagement with demands for transparency, effectiveness and burden-sharing.
- A coalition of the willing that share the same values is necessary to reform the multilateral institutions so they can effectively carry out peacekeeping and development in fragile states where lack of legitimacy, trust, delivery of public goods and accountability now bedevil these efforts.
- Multilateralism is no longer an altruistic project, it is a project of enlightened self-interest, and there is no other answer than to engage in it to make it better.

Kathryn Lavelle, Professor at Case Western Reserve University:

In some of their darkest hours, people have tried to figure out what to do about multilateral institutions. This is the centuries-long history of multilateral institutions. Currently, the multilateral institutions have to adapt to the global integration that has taken place in the digital era. Constituencies matter. We have to explain to people in industrial democracies why institutions such as the UN and the World Bank matter. China's participation in a rules-based system via multilateral institutions gives us leverage. For example, when China participates in a World Bank package, the international community has opportunities to influence Chinese policies. The institutions and the problems they deal with are interconnected. For example, there is a lot of connections between environmental, climate, refugee and human rights issues. Our system is ill-equipped for these institutions to interact with each other so they can address these problems. Support for multilateralism remains strong in the US public because some issues can only be addressed by the international community.

Eli Whitney Debevoise II, former executive director of the World Bank:

Why does China continue to borrow from the World Bank? It is time for China to graduate and pay for development assistance. The World Bank director responsible for ethics is Chinese, but if he is found not to do his job the president can fire him. New institutions are usually dependent on established institutions for access to their facilities. For example, for access to the monetary facilities of the BRICS bank, now called the New Development Bank, only 30 per cent can be taken with no questions asked, the other 70 per cent requires an upper tranche IMF program. The Asian Infrastructure Investment Bank (AIIB) is largely populated with staff from old institutions such as the World Bank and they have co-financing arrangements with these. China is setting up multilateral institutions in which they can be the predominant voice. The position of US director of the World Bank is important to setting the tone as competition unfolds around the world. The US has approved of the capital increase of the World Bank this year, on condition that rich countries pay more for loans that poor countries, that the budget is cut for top-level salaries, and a number of other reforms. This tough love approach is usually the most appropriate for US engagement in multilateral institutions.

Blaise Misztal, Senior Fellow, Hudson Institute:

90 per cent of conflicts today happen in fragile states, 10 years from today 60 per cent of the world's poor live in fragile states, making fragility an increasingly important issue for the UN and the World Bank. Fragile states are drivers of major security issues such as terrorism, displacement of civilians and pandemics. It has proved difficult to agree to apply traditional multilateral solutions to conflict and poverty such as peacekeeping in fragile states, and when they are applied, they often fail to promote peace and poverty reduction because they focus on issues such as infrastructure which has little to do with the problems of fragile states. The lack of legitimacy, trust, delivery of public goods and accountability in fragile states is now recognized by both the UN and the World Bank as key problems that bedevil peacekeeping and development efforts unless they are addressed. The system of multilateral institutions is built on the idea of following the rules and compromise, but these values are not necessarily shared by those who are part of the system, such as China and Russia. The perfect example of that is where the UN Security Council decides to send peacekeepers which is usually not to fragile states. Fragile states are at the intersection of non-traditional and traditional security threats. For example, in Syria, civil, ethnic, and tribal conflicts are taken over by transnational jihadi groups who are armed for the purposes of geopolitically motivated actors. A growing problem is that intra- and interstate wars are happening at the same time through proxies. Trying to address these problems by using mechanisms based on the assumption that the members are going to adhere to the rules is going to fail.

The US is not rejecting multilateral cooperation, but it is no longer willing to pay more to reach common goals. Also, there are issues that seem to suggest that the true purposes of multilateral institutions are being perverted, such as allowing Venezuela to be on the UN Human Rights Council despite a dubious human rights record. These issues need to be dealt with. How we give development assistance is also an important issue, and multilateral institutions can play an important role in being air traffic controller coordinating efforts from different agencies and countries. For this to work, a coalition of the willing which share the same values is necessary, and this is why the US in recent years have tended to rely more on institutions such as NATO than on the UN.

Martin Bille Hermann, Ambassador and Permanent Representative of Denmark to the United Nations:

UN peacekeeping troops cost about a quarter of a NATO soldier and they are deployed in areas where there is no peace to keep. However, arguably there is value in peacekeepers' contributions to keeping a lid on conflicts. An interconnected world where threats spread quickly calls for more multilateral cooperation, not less. China, India, Indonesia, Ethiopia, South Africa are all among countries that have grown economically and politically, and it is no surprise that they demand more of a say at the table. This creates aching pains in the institutions at a time when we have more global challenges than ever before, but the answer is to stay in the game, not to walk away from it. Many of the new quasi-multilateral institutions created by China and others have imported standard procedures and approaches, preventing them from making the development mistakes that we have made in the old institutions.

Multilateralism is not an ideology, it is a method of work that is not perfect, but I have yet to find something better. The big change here is that it is no longer an altruistic project, it is a project of enlightened self-interest, and there is no other answer than to engage in it to make it better. The UN is a hybrid of universal values and state power. Change is inevitable, it is how we handle change that

determines the future of multilateral institutions and the prosperity of our people. The current UN Secretary-General is more committed to reform than any other Secretary-General in recent years, so back him up.

A strong and committed US is necessary to achieve reform of the multilateral institutions, and tough love as described by Debevoise is an excellent strategy to approach it. The UN Charter starts with 'we, the people', but honestly for the past 75 years it has been 'we, the governments' and the UN has a difficult time adjusting to a world where private sector corporations and non-governmental organizations are often very influential actors. However, international cooperation is not a 'nice to', it is a 'need to'.