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The Future of Multilateralism: Governing the World in a Post-Hegemonic Era

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Introduction

Since the middle of the twentieth century, the governance of the global system has been organized around the United States and the advanced industrial democracies. In the shadow of the Cold War, these countries established a wide array of global and regional institutions to manage economic, political, and security relations. The Bretton Woods institutions, GATT (and later the WTO), the United Nations, and various functional institutions provided the bulwark for an open and managed postwar world economy and global order. An American-led alliance system provided a structure for regional security in Europe and East Asia. When the Cold War ended, these far-flung institutions were extended into a more fully global multilateral system of governance. The United States dominated the global order. But, more so than did leading states in previous eras, it established its dominance through institutions. It was an American-led liberal hegemonic order.[1]

Seven decades later, this hegemonic system of multilateral governance appears to be in crisis. American power is not what it was. The unipolar moment has given way to a global system where power and wealth is more widely distributed. States that previously were peripheral to this postwar order – China, India, Brazil, and others – are on the rise, and they are seeking to renegotiate their role in the global order. In the meantime, rising economic and security interdependence is creating new and complex problems for the old governance arrangements. In the face of these transitions, questions are being asked about the future of multilateralism. Is the world transitioning to a new – post-hegemonic – system of multilateral governance or is multilateralism breaking down? How tied is the global system of multilateral governance to American power

[1] See G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order*, Princeton, NJ: Princeton University Press, 2011.

and leadership? As the world becomes 'less American' will it also become less liberal internationalist? What might global governance look like in a post-hegemonic age?[2]

In this essay, I will offer a series of perspectives on multilateral governance – past, present, and future. My argument is four-fold. First, the American-led hegemonic order is troubled, but the deeper system of liberal internationalism at the core of today's international order still holds sway. States continue to have deep – and indeed growing – interests in an international order that is open and at least loosely rule-based, i.e. a system of multilateral governance. An expanding array of constituencies and stakeholders exist across the global system that support, in one way or another, such a system of multilateral governance. Grand ideological alternatives to such an international order do not exist, nor are they being championed by leading states. What troubles liberal multilateral governance are the difficulties in building new bargains, coalitions, and forms of cooperation that will enable liberal internationalism to transition from a hegemonic to a post-hegemonic era.

Second, the rise of liberal internationalism – and multilateral forms of governance – has been long in the making, dating back to the early nineteenth century. Liberal internationalism as a political project and set of ideas has evolved over the last two centuries through wars and economic upheavals. Across these two centuries, liberal democracies have made repeated efforts to build and rebuild liberal international types of order. The interests and constituencies for liberal internationalism are deeply embedded in the globalizing logic of capitalism and liberal ascendency. American efforts to build a liberal hegemonic order in the postwar decades was the most recent and most successful phase of this longer-term and wider struggle to build an open and at least loosely rule-based international order. In this sense, liberal internationalism and multilateral governance are not simply artifacts of American power or the postwar moment.

Third, the crisis of liberal internationalism is – at least to some extent – a crisis of success. Non-Western states have risen up and are seeking greater involvement in global governance, made possible through their trade and involvement within the old multilateral order. Likewise, the problems generated by the intensification of economic and security interdependence follow directly from the trade and exchange made possible by the American-led liberal internationalist order. These are problems of governance that call out for more – not less – liberal multilateral cooperation. But they also call out for new bargains, coalitions, and forms of multilateral cooperation.

Finally, the future of multilateralism will hinge on the ability of these states – rising and falling, advanced and developing, Northern and Southern – to redistribute authority, negotiate new bargains, and generate collective leadership. This will

[2] For various discussions of the future of multilateralism, see Manuel Lafont Rapnouil, 'A European View on the Future of Multilateralism', *The Washington Quarterly*, 32(3) (July 2009); Stewart Patrick, 'The Unruled World: The Case for Good Enough Governance', *Foreign Affairs* (January/February 2014); and Stephan Haggard, 'Liberal Pessimism: International Relations Theory and the Emerging Powers', *Asia and the Pacific Studies*, 1(1) (January 2014): 1–17.

inevitably be a messy, uneven, and ongoing process, with successes in some areas and failures in others. The future of multilateralism is not certain. But we do know that the underlying interests and incentives for multilateralism will grow, while the leadership conditions for making good on those interests and incentives will in a post-hegemonic era likely decline. The alternative to liberal multilateralism is not a new type of order; it is disorder. We are left with a question: can a coalition of states emerge to strike bargains and build new realms of multilateral cooperation? It will not be easy, but it will be the only credible response to the problems that increasingly beset the world.

The historical foundations of multilateralism

The notion of 'global governance' is relatively recent, emerging as a term of art after the Cold War to describe the complex of multilateral institutions established to manage global relations. The term itself was made popular 20 years ago in a book by James Rosenau, *Governance without Government*.[3] The argument was that while a 'world government' capable of ordering the relations among states had never evolved, the modern global system had developed more decentralized forms of governance. A worldwide system of multilateral institutions and regulatory mechanisms had emerged that were helping to give international relations order and stability.

The term global governance came into widespread usage because it provided a language to describe the aggregation of institutional tools and mechanisms that states were creating to manage their increasingly complex interdependence. As Thomas Weiss observes, '[a]t its most basic, global governance is a set of questions that enable us to work out how the world is, was, and *could* be governed, how changes in grand and not-so-grand patterns of government occurred, are occurring, and ought to occur'.[4] Global governance is the full set of formal and informal 'ideas, values, rules, norms, procedures, practices, policies, and institutions' that help states and peoples around the world 'identify, understand, and address transboundary challenges that go beyond the problem-solving capacities of individual states'.[5] The United Nations is part of global governance, but so too, for example, are the informal consultations of internationally organized business and scientific groups.

Global governance is made necessary by the advance of global interdependence. As Ian Goldin argues, globalization generates both tremendous opportunities and dangers. 'Global governance is required to ensure that we are able to harvest the upside potential and mitigate and limit the downside risk.'[6] In this sense, the problem of global governance is a profoundly practical one: the search for ways to manage the complex

[3] James N. Rosenau and Ernst-Otto Czempiel (eds.), *Governance without Government: Order and Change in World Politics*, New York: Cambridge University Press, 1992.

[4] Thomas Weiss, *Governing the World? Addressing 'Problems without Passports'*, Boulder, CO: Paradigm Publishers, 2014, p. 4.

[5] Ibid.

[6] Ian Goldin, *Divided Nations: Why Global Governance is Failing and What We Can Do About It*, Oxford: Oxford University Press, 2013, p. 161.

interdependencies between states and peoples, doing so with an eye on the common and precarious global space that all of humanity inhabits together.

While the term 'global governance' is relatively new, the ideas and practices behind the multilateral governance of the global system have been long in the making. It was in late eighteenth and early nineteenth century Europe that the notion of 'world politics' and 'global order' began to take hold, ideas that we cannot recognize as internationalist in a modern sense. It was the idea that the nations and states of Europe – and eventually the wider world – were part of a nascent international political order. It was the idea that the peoples of the world occupied a single system and that this global order was unfolding and developing according to logics that could be discerned. It was the idea that rules and institutions were – and could be – established that could move the peoples and states of this emerging international order in a peaceful and progressive direction. Empires were becoming global, international markets were emerging, and movements of peoples and ideas were world-wide in scope.[7]

A global vision took hold in Europe, informed by Enlightenment thinking, science, and the early stages of the industrial revolution. Something called 'modernity' and 'modern society' was being discovered, marking a break with older feudal and ancient societal formations. The idea of modernity was – and continues to be – a global idea. The notion of modern society was not a vision of Europe or the West, it was a vision of a world-historical transformation. It offered a new map of the world as an evolving global system. There were vanguards and laggards. But the movement and setting of modernity has a universal logic. The whole world is in motion. Peoples and societies around the world are struggling with the problems and opportunities of modernity. What was new in the early nineteenth century was that the world could now be described with a single 'grand narrative'. As Anthony Giddens argues, the vision of modernity entails the creation of an 'overarching "story line" by means of which we are placed in history as beings having a definite past and a predictable future'.[8]

In was in this early modern intellectual context that the idea of a global order – and the problem of governing the world – took hold. As Mark Mazower observes, the core idea was that 'the "international" constitutes a separate zone of political life with its own rules, norms, and institutions, but alongside it the idea that this zone of politics was in some sense *governable*, and governable not by God, nor through nature, but by men'.[9] From the vantage point of late eighteenth and early nineteenth century Europe, a nascent global system could be discerned – it was emergent, taking shape through the efforts of internationalist-oriented states, organized around institutions and relationships that would bias the world in the direction of economic and political betterment.

[7] See Charles H. Parker, *Global Interactions in the Early Modern Age, 1400–1800*, Cambridge: Cambridge University Press, 2010.

[8] Anthony Giddens, *The Consequences of Modernity*, Stanford, CA: Stanford University Press, 1990, p. 2.

[9] Mark Mazower, *Governing the World: The History of an Idea*, London: Allen Lane, 2012, p. 15.

In the nineteenth century, internationalist visions of the global system underwent a many-shaped evolution. War, depression, revolution, nationalism, class conflict – these were the new and dangerous realities that seemed to mark the ascent of modern society. The grand expectations of modernity – its universal reach, progressive direction, and rational guidance – did not completely disappear. The liberalism of early nineteenth century Britain and continental reformers was the heir to the earlier Enlightenment era's visions of modernity. Commercial society, science, and representative government were seen as drivers and markers of social advancement and progress. But the nineteenth century – and again in the twentieth century – generated seemingly unending wars, social upheavals, and revolutions that challenged the simple or evolutionary views of a modern – and well governed – global order.

Across the nineteenth and early twentieth century, various efforts were made to build multilateral governance institutions.[10] The post-1815 Concert of Europe was arguably the first organized multilateral system of global governance. An institutional structure was created to manage great power relations. This was new. In earlier eras, empire and the balance of power were the major ways that order was established within and across regions. The Concert of Europe involved multilateral rules and commitments to establish European geopolitical stability. 'Before 1815, international order had been produced essentially behind the backs of states by the invisible hand of the balance of power', Jennifer Mitzen argues. 'What marks the post-Napoleonic period as the first case of states concerting their power for public interests is the combination of their commitment to keep the peace together and their institutional innovation of states meeting in forums to manage crises.'[11] A multilateral security order took hold. The breakthrough was both political and intellectual. As Paul Schroeder argues, the Vienna Settlement resulted from a long war in which the leading states of Europe found ways to think more systematically about their relations. A 'network of ideas' across Europe took hold that allowed the leaders of the European great powers to make a break from eighteenth century balance of power thinking.[12]

In the late nineteenth century and before World War I, the European powers and other states negotiated a variety of multilateral institutions and agreements in various areas – trade, finance, shipping, communications, and so forth. International arbitration agreements and dispute settlement mechanisms were established within Europe and across the industrial world. International congresses and universal exhibitions were informal venues for scientists and other expert communities to meet

[10] For a discussion of multilateralism before the twentieth century, see John Gerard Ruggie, 'Multilateralism: The Anatomy of an Institution', in John Gerard Ruggie (ed.), *Multilateralism Matters: The Theory and Praxis of an Institutional Form*, New York: Columbia University Press, 1993.

[11] Jennifer Mitzen, *Power in Concert: The Nineteenth-Century Origins of Global Governance*, Chicago: University of Chicago Press, 2013, p. 4.

[12] Paul Schroeder, 'The Transformation of Political Thinking, 1787–1848', in Jack Snyder and Robert Jervis (eds.), *Coping with Complexity in the International System*, Boulder, CO: Westview Press, 1993, p. 48.

and exchange ideas.[13] Craig Murphy has shown that international organizations in the late nineteenth century played an important role in establishing networks and common standards in the area of trade, communication, and transport, laying the ground work for twentieth-century multilateralism.[14] These mechanisms of international cooperation were established not as architecture of a new global order, but as functional adaptations to the changing circumstances of industrialism and global economic development.

The first half of the twentieth century was cruel to liberal international visions of global order. The world wars, the Great Depression, and the rise of fascist and communist alternatives to liberal democracy – these were the upheavals that triggered the breakdown of the multilateral organization of global order. But, of course, the greatest upheavals in the global system also brought forth in their wake the most ambitious schemes for new and far-reaching forms of multilateral cooperation. In 1919, it was pushed forward by Woodrow Wilson in efforts to establish the League of Nations. The League was part of a larger vision of postwar order that Wilson advanced – one built around collective security, open trade, and international law. Although the United States did not ratify the Versailles peace treaty, the League did come into existence in 1920, with the initial participation of thirty-two member states, two-thirds of which were non-European. The League was the largest and most encompassing international organization ever to exist at the time, with 58 members at its peak in 1934.

The failure of the United States to join the League and the League's breakdown in the face of unanswered Japanese and Italian aggression raised serious questions about the future of multilateral governance. The political and intellectual foundations of liberal internationalism were called into question. This was the great debate of that era, framed initially in the sweeping critique of 'liberal idealism' by E.H. Carr and others. It was Carr who argued that the ideas behind Woodrow Wilson's vision of a postwar liberal international order – organized around collective security and international law – were exposed as a dangerous illusion.[14] Carr and other realists raised the fundamental question: can the world be governed? To them – and many others – the return to anarchy and war in 1939 revealed the enduring truths of world politics as a struggle for power and advantage.

Multilateralism under American auspices

During the second half of the twentieth century, liberal multilateralism experienced its 'golden age'. The multilateral organization of world politics took hold across the realms of economics, politics, security, and diplomacy. During the Cold War, this emerging global system of multilateral governance was primarily located in the

[13] See Akira Iriye, *Global Community: The Role of International Organizations in the Making of the Contemporary World*, Berkeley, CA: University of California Press, 2002.

[14] Craig Murphy, *International Organization and Industrial Change: Global Governance since 1850*, New York: Oxford University Press, 1994.

so-called trilateral world – Europe, North America, and East Asia – and later encompassed most of the world. The multilateral trade system – the GATT and later the World Trade Organization – was the economic centerpiece of this postwar liberal order, providing the rules and mechanisms for periodic rounds of trade liberalization. The Bretton Woods institutions created tools and capacities for managing financial and monetary relations. The United Nations enshrined multilateral norms of sovereignty, collective security, human rights, and development. Various informal multilateral groupings – such as the G-7, G-8, and G-20 – provided venues for coalition leadership. This was the high tide of liberal multilateral order.

The United States was the driving force behind this multilateral system. After the war, America's overriding aim was to establish an international order that was open and stable. The great challenge was to overcome the disasters of the 1930s – the economic breakdown and competing geopolitical blocs that paved the way for world war. The United States was self-interested in its order building. It was a powerful country that wanted a global system to protect and advance its interests. This impulse – to build an open and cooperative system that advantaged America – existed before, during, and after the Cold War. Indeed, even as the Cold War loomed, when the United States laid out its doctrine of containment in National Security Council Report 68 (NSC-68), American officials were still determined to build an open and multilaterally organized system. The United States needed, in the words of NSC-68, to 'build a healthy international community', which 'we would probably do even if there were no international threat'. The United States needed a 'world environment in which the American system can survive and flourish'.[15]

The vision of an American-led liberal international order was expressed in a sequence of declarations and agreements. The first was the Atlantic Charter of 1941 which spelled out a view of what the Atlantic and wider world order would look like if the allies won the war. This agreement was followed by the Bretton Woods agreements of 1944, the Marshall Plan in 1947, and the Atlantic pact in 1949. Together these agreements provided a framework for a radical reorganization of relations among the Atlantic democracies. The emerging Cold War gave this Western-oriented agenda some urgency and the American congress was more willing to provide resources and approve international agreements because of the threats of communist expansion lurking on the horizon. But the vision of a new order among the Western democracies pre-dated the Cold War, and even if the Soviet Union had slipped into history, some sort of Western order – open, institutionalized, American-led – would have been built.

Between 1944 and 1951, American leaders engaged in the most intensive institution building the world had ever seen – global, regional, security, economic, and political. The UN, Bretton Woods, GATT, NATO, and the US–Japan alliance were all launched. The United States undertook costly obligations to aid Greece and Turkey and

[15] NSC-68 as published in Ernest May (ed.), *American Cold War Strategy: Interpreting NSC-68*, New York: St Martin's Press, 1993, p. 40.

reconstruct Western Europe. It helped rebuild the economies of Germany and Japan. With the Atlantic Charter, the UN Charter, and the Universal Declaration of Human Rights, it articulated a new vision of a progressive international community. In all these ways, the United States took the lead in fashioning a world of multilateral rules, institutions, open markets, democratic community, and regional partnerships – and it put itself at the center of it all.[16] It marked the triumph of American internationalism after earlier post-1919 and inter-war failures. It was an order that brought together new forms of liberalism, internationalism, and national security. The international order would be open and at least loosely rule-oriented. A core of countries in Western Europe, North America, and East Asia would form the leadership group of this multilateral system. The United States engaged as an activist order-building agent. It made commitments, built institutions, forged partnerships, acquired clients, and provided liberal hegemonic leadership.

What were the ideas and conditions that led the United States and its partners to create this multilateral system? First, the United States – the most powerful state in the postwar world – had a deep and enduring interest in an open world economy. When the United States emerged as a global power in the first half of the twentieth century, it confronted a world of empires, blocs, and spheres of influence. The Eurasian world was controlled or threatened by great imperial powers. Germany and Japan were establishing military domination of their respective regions, Soviet Russia was an imperial continental power, and Great Britain had the imperial preference system. Accordingly, in the late 1930s, American strategists debated whether the United States could exist as a great power within a world divided into blocs and spheres? This would entail limiting its trade and resources to perhaps only the Western hemisphere. So the question was: How large did the 'grand area' need to be? That is, how large a geopolitical space would the United States need to have access to in order to prosper as a great power? By the time the United States was in the war, the answer to American leaders was clear. The 'grand area' would need to be global. The United States would need to have access – for trade and resources – to all regions of the globe.[17] The United States would need to open up and gain access to the full world economy.

A second idea behind postwar multilateralism was the new importance attached to the ongoing management of the system. Keeping the world economy stable would be an ongoing, indeed permanent, undertaking – and this required new types of international institutions and tools. This was certainly the view of the economic officials who gathered in Bretton Woods in 1944. Governments would need to play a more direct supervisory role in stabilizing and managing economic order. New forms of intergovernmental cooperation would need to be invented. The democratic countries would enmesh themselves in a dense array of intergovernmental networks and loose rule-based institutional relationships. In doing so, the United States committed itself

[16] See Ikenberry, *Liberal Leviathan*; and Stewart Patrick, *The Best Laid Plans: The Origins of American Multilateralism and the Dawn of the Cold War*, New York: Rowman & Littlefield, 2009.

to exercising power through these regional and global institutions. This was a great innovation in international order. The United States and its partners would create permanent governance institutions – ones that they themselves would dominate – to provide the ongoing streams of cooperation needed to manage growing realms of complex interdependence.

What was new in the early 1940s was an appreciation of the dangers and instabilities associated with an open world economy. This is what the 1930s made so clear. Bad economic policies in one country could cause spillover and ripple effects in others. This was the message of President Roosevelt's welcoming statement to the Bretton Woods participants on 29 June 1944. 'Economic diseases are highly communicable', FDR said. 'It follows, therefore, that the economic health of every country is a proper matter of concern to all its neighbors, near and distant.' The postwar era would require new forms of cooperation to manage the ebbs and flows of an open world economy. All the nations of the world had a 'common interest' in a stable and expanding world economy. Hence, the need for multilateral rules and tools.

A third factor that lay behind postwar multilateralism was the size and character of the grouping of states that initially forged the postwar agreements. It was the United States, Great Britain, and a few other Western countries – a small group of like-minded Western democracies, led by the United States. Indeed, most of the core agreements about trade, finance, and monetary relations were hammered out between the United States and Great Britain. These countries did not agree on everything. The United States wanted more unfettered trade openness, while Great Britain and the other European countries worried more about economic stabilization and social protection. But relative to the rest of the world, this was a small and homogeneous group of Western states that had just fought a war together. Their economies converged, their interests were aligned, and they generally trusted each other.[17] They engaged in negotiations and reached compromises. Once the postwar multilateral institutions were established among this small grouping, the rest of the world was invited to join. The multilateral system exhibited an 'open' logic, designed to expand and accommodate new members.

A fourth factor that facilitated the launching of postwar multilateralism was the wider American-led security setting. As the Cold War intensified, a far-flung security system was constructed in Europe and East Asia. This meant that the countries that the United States worked with to build an open world economy were also its alliance partners. They were on the same side in the Cold War and they all depended on the United States for security. To be sure, the initial ideas and commitments for an open, loosely rule-based postwar order were made before the Cold War. But the tough work of building and running these multilateral institutions took place during the Cold War

[17] For studies that emphasize Anglo-American diplomacy in the established of the wider postwar economic order, see Robin Edmonds, *Setting the Mould: The United States and Britain, 1945–1950*, New York: Norton, 1986; and Sir Richard Clarke, *Anglo-American Economic Collaboration in War and Peace, 1942–1949*, Oxford: Clarendon Press, 1982.

decades. This system of alliance partnership made it easier for the United States and its partners to make commitments and bear burdens. It made it easier for European and East Asian states to agree to operate within an American-led liberal order. The alliance system provided institutional channels and mechanisms for the leading states in the postwar order to make bargains and hammer out common decisions. Japan and Germany were anchored in this American-led security order, positioning themselves to become major players in the world economy. The alliance system was a cooperative security order that tied the most powerful state in the world to its partners. American power was made more reliable and connected to Europe and East Asia. These states were not just 'economic partners', using multilateral institutions to solve common problems. They were tied together in a more existential way, and the multilateral system was itself an embodiment of this shared political community.

Finally, the states that came together within the postwar liberal multilateral order saw themselves participating in a greater 'political project'. The United States promoted a liberal internationalist vision of world order – democracy, capitalism, openness, the rule of law, and human rights. As it turned out, at least for the second half of the twentieth century and into the current era, this vision tended to be congruent with the deep forces of modernization. The United States was leading the world in a direction that much of the world wanted to go. The historian Charles Maier has argued that, in effect, the United States was 'surfing' on the wave of twentieth-century modernization. It was not just that other countries shared the American vision, it was that this vision has had a good fit with the modernizing forces of development, growth, and social advancement over the last half century. Countries joined into this multilateral order not just to solve common problems, but with the idea that participation in the order would move their societies upward in a modern direction. Multilateralism and national advancement seemed to go together. At the same time, the liberal multilateral order had an ideological – even moral – appeal. It was seen as an order that was desirable and legitimate, a widely shared view that was reinforced by decades of postwar economic growth and rising standards of living.

In all these ways, American postwar liberal order building put multilateralism on a firm foundation. The world got global governance, but it was under the auspices of an American liberal hegemonic system. The United States gave itself rights and privileges within these hegemonic arrangements. It was an order with an hierarchical distribution of authority. But it was also an order with multiple layers of multilateral rules, norms, and institutions. Indeed, it was the most institutionalized and rules-based system of governance the world had ever seen.

The crisis of multilateralism

This era of multilateral governance is passing away. To some degree, it is the very success of the old American-led international order that has created the conditions for its problems. First, the United States is not in the position today to play the hegemonic role it once did. The non-Western states that are rising up to contest

American hegemony are doing so by operating within the postwar multilateral system. Through trade, investment, and integration into this order they have grown and moved upward. But these states – China, India, Brazil, Indonesia, and others – were not 'present at the creation' of the postwar American-led order. In both their own regions and at the global level, these states are seeking to renegotiate their position within the system. They are seeking voice and authority – and a seat at the table. The old political arrangements worked well for half a century. The United States and its partners ran the system. They were the 'insiders' who provided leadership and facilitated cooperation. The challenge now is to find ways to reorganize the political foundations of the multilateral system – making room for rising states and building new forms of coalition leadership.[18]

A second source of trouble for multilateral governance is the growing intensity and complexity of economic and security interdependence. This too is in part a product of the success of the old order in providing the conditions for global openness. But the institutional foundations of the system have not kept up with the cascades of complex interdependence. Transnational dangers are mounting – global warming, health pandemics, nuclear proliferation, financial instability, international terrorism. The integration of the global system has generated benefits for all the countries that have participated in it. The problem is not globalization, or 'hyperconnectivity' as such, rather it is the lagging efforts of states to regulate it and safeguard themselves from its dangers.[19] These are difficult challenges for a system of multilateral governance even under the most optimal conditions. But the diffusion of power and expansion of states that must be part of the governance process have made them all the more difficult.

Third, these new sorts of transnational governance challenges interact with the expanding number and diversity of states to frustrate cooperation. The new issues – such as global warming and the new challenges of trade liberalization and financial regulation – are complex problems with distributional costs and differential impacts on economic growth. These are particularly hard issues for states coming from very different levels of development to agree on. The questions inevitably come to: who pays and who adjusts? The rising non-Western developing states are necessary players in these international efforts. But with negotiations involving a greater number of states from a greater diversity of national circumstances, agreements will be harder to achieve. The old coalition of states – led by the United States, Western Europe, and Japan – cannot step in to solve these governance challenges.

Fourth, the wider American-led security order does not reinforce international cooperation in the way it once did. The United States still operates a worldwide system of security alliances and partnerships. These security ties still help reinforce relations

[18] This is one of the prominent themes of the Obama administration's 2010 *National Security Strategy*, Washington, DC: The White House, May, 2010.

[19] There is a large literature on the growing transnational dangers and instabilities. Many studies focus on specific issue areas, such as global warming or financial regulation, while others offer more general overviews. See Goldin, *Divided Nations*.

between the United States and its Western European and East Asian allies.[20] But this old trilateral core is not at the center of the global system in the way it once was. Indeed, Japan and Western Europe have experienced sustained economic weakness over the last decade or more, while other states outside the American alliance system have gained. These rising states – most notably China – are not 'full spectrum' partners in the way Japan and Western European states are. Quite the opposite. Rising geopolitical tension between the United States and China (and Russia) will serve to undermine global governance efforts.

Fifth, the American position in the global system has also changed, and this has diminished its ability to provide multilateral leadership. The most obvious change is the relative decline of American power. The United States is still the leading state in the system, and China's challenge to this leadership is mostly measured in terms of aggregate economic size. Even if China passes the United States in aggregate GNP, it will still not have the other features of global power – technology, military capacity, alliances, ideological appeal – that will enable it to replace the United States as global leader. But even if the United States remains uniquely positioned to provide leadership, its capacities will inevitably diminish. One aspect of American leadership over the last century was the connection between American power and global modernization. As noted earlier, for half a century, the United States was widely seen as at the vanguard of global modernization and economic advancement. The international order that the United States led was one that other states wanted to join. To be 'inside' the postwar liberal international order was desirable because states within that order were growing, advancing, and modernizing. To be 'outside' was to be left behind. The linkage between the United States and a modernizing liberal system has broken down, or at least it appears so. This is not just a result of a weakened America, it is a result of the seeming failures and disappointments of the current liberal multilateral order itself. It is less clear if states want to be on the 'inside' of this increasingly fragmented and under-performing system. For these reasons, the multilateral system is in crisis.

The future of multilateralism

What is the future of multilateralism? If the preceding analysis is correct, the world will not return to a 'golden era' of multilateral governance. The circumstances that generated the postwar system of multilateralism were very special. The upheaval of the war, the outsized power of the United States, and the multifaceted ideas and interests that favored an open and loosely rule-based order worked together to decisively shift the global system in a liberal internationalist direction. The diffusion of power and diversity of interests that mark today's global system make it hard to envisage the construction

[20] For a discussion of the ways in which the American-led security order has had positive spillover effects on non-security cooperation, see Stephen Brooks, G. John Ikenberry, and William Wohlforth, 'Don't Come Home America: The Case against Retrenchment', *International Security*, 37(3) (Winter 2012/13): 7–51.

of a coherent and well-functioning multilateral system of governance. But there are strengths and opportunities in the existing order that can be built upon.

First, the next era of multilateral governance will necessarily involve a more developed system of shared leadership. The shift in the last decade from the G-8 to the G-20 as the centerpiece of global summitry is a harbinger of this sort of adaptation. It reflects two sorts of new realities about governance leadership. One is that in order to be effective and legitimate, governance groups need to include leaders from the rising non-Western world. The old G-7 process simply is not capable of getting the right states around the table. The other reality is that the new governance groupings will increasingly be less formal and treaty-bound. The formal institutions of governance are harder to build and operate. The UN Security Council would logically be the site for an updated leadership grouping, but it has resisted efforts to reform its membership. The flexible G-groupings will increasingly be the response to these new realities.

Second, the WTO trade system has a unique capacity to remain the core institution of multilateral economic governance. The area of trade has two characteristics that make it particularly congenial with multilateralism. One is that there are specific and identifiable gains that states can get through bargaining and reciprocity. International agreement is most likely to occur when a state wants something from another state that the other state can in fact deliver – in this case, the liberalization of its markets. In these circumstances, the first state has an incentive to offer commitments of its own to get the other state to act. Each state offers to make a policy concession to get something from the other. This is classic reciprocal bargaining, and it is still at the heart of the international trading system. The other feature is that there is still a non-zero sum character to a lot of trade. There are distributional implications to trade liberalization. But there are also clearly recognizable joint gains that states can experience through cooperation. This makes the WTO system particularly robust as a multilateral system. It is not an accident that states such as China and Russia have pushed hard to become members of the trade system, agreeing to operate within its general quasi-legal framework.

Third, some forms of multilateral governance will inevitably flow into regional political settings. The global system of governance may weaken but regional systems might well strengthen. Regional multilateralism has the advantage of involving fewer states and the ability to negotiate bargains that directly address problems within the region. States that are not strong enough to be a global leader might still be able to be a regional leader. The problems within specific regions – financial stability, transnational crime, terrorism, etc. – might be more immediate and tractable as issues for negotiation. East Asia has shown some evidence of movement toward regionalism in the area of financial stabilization, led by the ASEAN plus three grouping. In Europe, the European Council has come forward with a 2030 Energy and Climate Policy Framework around which the European countries will organize their policy efforts.[21] As Stewart Patrick argues, '[g]iven how overstretched the UN and other global bodies can become, rising

[21] See http://ec.europa.eu/clima/policies/2030/documentation_en.htm.

regionalism has distinct benefits. Regional bodies are often more familiar with the underlying sources of local conflicts, and they may be more sensitive to and invested in potential solutions.'[22] Regionalism will also be the beneficiary of the breakdown of a global consensus on broad norms of order. If Western and non-Western states cannot find common ground on universal rules and principles of the global system, states might find useable rules and norms within their regions. The future does not need to belong exclusively to either regional or global multilateralism. It is more likely to be a shifting balance of the two.

Fourth, even with the transformations noted above, there are possibilities for the old liberal international order to be updated and refurbished. Rising states may not share all the values and interests of the United States and the other established stakeholders. But they are not, in reality, advancing revisionist ideas of global order. Rising states – such as China, India, and Brazil – are emerging from a post-imperial and post-colonial history, and they harbor grievances and suspicions about 'the West'. But they are not putting forward ideas for international order that require a fundamental break with the existing system. Indeed, these countries do want what the old multilateral order enshrined at its core: openness and rules. Openness allows them to have access to the global system and the markets and societies of other countries. This openness is what has propelled them upward. Rules are important to rising states because they want to have international frameworks that help them protect their growing global interests. They have wealth and other national 'equities' to safeguard. This core interest shared by Western and rising states is worth building on as states seek new ways to cooperate. Rising states are more eager to gain authority within an open and loosely rule-based system than to tear that system down.[23]

Fifth, multilateral organization of the global system remains important because, in the final analysis, there are not really any good alternative options. There is a reason that non-Western rising states are not revisionist. A world of closed blocs or regions will not advance their interests. States have interests in shifting costs on to others, to free ride, and to shirk responsibilities. But they are able to get away with doing this because the overall global system itself remains relatively open and stable. Even China and Russia are better seen as 'spoilers' within the existing global order than 'revisionist' states. They have joined the WTO and benefit from an open system that safeguards their sovereignty and authority. Under conditions of rising economic and security interdependence, the countries of the world have a growing – not declining – interest in multilateral governance. Under these conditions, the benefits of greater institutionalized cooperation grow relative to the costs of lost autonomy associated with making binding international commitments. The benefits that states gain from operating in an open system outweigh the costs of multilateral governance.

[22] Patrick, 'The Unruled World'.
[23] See Ikenberry, *Liberal Leviathan*, Chapter 7.

The alternative to an open, multilateral system is not some sort of twenty-first century Chinese tribute system or a system of regional empires. The alternative is not even some sort of illiberal multilateral order, whatever that might look like. The main alternative is disorder. A fragmented and chaotic global system is possible, but it is not an outcome any major state in the system should welcome. After all the pessimism about the weakening and breakdown of the existing system has been voiced, we are still left with a shared interest in a stable system of global governance. From the first decade after World War II to the first decade of the twenty-first century, the world lived through its 'multilateral moment'. We may never return to this golden era of multilateralism, but the world is going to need to discover new ways to muddle through.

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