Multilateralism and the Search for Collective Institutional Leadership and Governance

A common trope of blockbuster films is that the presence of a common enemy unites disparate powers around a common objective. Covid-19 has tested the Hollywood script. USA-China tension has increased, with the pandemic blame-game joining proxy battles over trade and cybersecurity. Parts of the global governance system have shone, with the IMF approving emergency financing for over 70 countries at record speed. Yet the weaknesses of other multilateral institutions have been highlighted, with the WHO joining the WTO in crisis. It remains to be seen whether collective action on vaccine distribution will repeat the failures of global emissions reduction negotiations, and whether mis-aligned international incentives will again hurt those most vulnerable.

Where does the search for international leadership and governance go from here? We should start by recognising two key points. First, fully *global* governance is rarely necessary – collaboration between a subset of the most important countries is often sufficient. Second, global governance should not just mean global *governments* – cities, companies and non-governmental networks can play a major role. From pandemics to computer viruses to financial contagion, we face networked problems, which require networked solutions.

Plurilateralism: squeezing between rock and hard place

The upside of scale effects and positive feedback loops is that many global challenges are centred on a small number of major players. Finance is dominated by activity in fewer than a dozen systemically-important hubs (Z/Yen, 2019), driven by self-reinforcing agglomeration effects. Just twelve countries account for 72% of the world's CO2 emissions (Our World in Data, 2017). High-income countries use twice as much antibiotics as low-income countries (Klein et al., 2018), although anti-microbial resistance in middle-income countries is also a growing threat. History has left other issues similarly concentrated. Only nine countries have nuclear weapons (SIPRI, 2019a). Large parts of the world pose little to no cyber-security threat, given their limited IT infrastructure. Such challenges do not require truly global agreement – given their top-heavy nature, 'critical mass' can be achieved through a deal among just the key actors (Warwick Commission, 2008).

This approach can be useful even for the most intractable issues, from war to poverty. The USA and Russia alone produce more than 50% of the world's armaments (SIPRI, 2019b). Commodities are critical in provoking or exacerbating many conflicts; programmes like the Extractive Industries Transparency Initiative, Kimberley Process or Publish What You Pay can create coalitions to tackle these issues upstream. Corruption often requires the means to save ill-gotten gains in distant bank accounts, which are themselves concentrated in a small number of tax havens (Zucman, 2015). The primary drivers of declining poverty rates over the last 40 years were rapid growth in China and India. Getting things right in a few key places can be far more effective than waiting for an unreachable unanimity.

Leadership beyond governments

States face constraints that other actors do not; effective action on global issues will require working with the private sector. In September 2019 Amazon made a 'Climate Pledge', including ordering 100,000 electric delivery trucks and committing to be carbon neutral by 2040. Six months later the company's founder, Jeff Bezos, committed $10bn of his personal wealth to funding scientists, activists and NGOs working on climate issues. Ten public companies each spend more than $10 billion on research and development per year, more than the whole of Mexico (Strategy&, 2018). This includes Volkswagen, whose investment in electric cars – along with that of new rivals like Tesla – will be vital for enabling the carbon transition. Ditto Johnson & Johnson with respect to antimicrobial resistance (Gulland, 2018). Partnerships with pharmaceutical firms are critical in the race to produce a Covid-19 vaccine.

The coronavirus pandemic has also highlighted the role of cities and regional authorities in handling global challenges, with many mayors and governors making major decisions. Cities consume two-thirds of the world's energy and account for more than 70% of global CO2 emissions (C40 Cities, 2020). The Oxford Martin Commission for Future Generations (2013) argued for a C20-C30-C40 coalition of the largest countries, companies and cities to fight climate change. Quasi-government agencies and civil society can also play a major role; indeed, much of the current architecture of globalisation was sketched out by such actors, from the first Universal Postal Union in the mid-19th Century to the first hypertext transfer protocol (HTTP) in the 1990s.

Networks can counter the paradox of globalisation, that we 'need more government on a global and a regional scale, but don't want the centralisation of decision-making power and coercive authority so far from the people actually to be governed' (Slaughter, 2005). As non-hierarchical platforms for governance and dialogue, networks create a framework for government without requiring a sacrifice of sovereign power (Woods and Martinez-Diaz, 2009). The 1989 Montreal Protocol, which averted environmental catastrophe by achieving complete phaseout of global CFC production by 1996, was built on successful collaboration between scientific experts, the private sector, social scientists and large funders (Royal Society, 2011). The Global Alliance for Vaccines and Immunisation similarly connects donors, civil society, UN agencies and national government, and has helped to prevent over 13 million deaths since it was founded in 2000 (GAVI, 2020). The next generation of global governance will emerge from experimentation across such networks, rather than being the design of a few central officials.

Global Governance 2.0

Recognizing these realities does not mean abandoning attempts to reform existing multilateral organisations. The UN Security Council's P5 composition, or the convention of American and European heads of the World Bank and IMF, are perma-scandals whose legitimacy erodes further each year. Parallel China-centred institutions are becoming increasingly important, including the Asian Infrastructure Investment Bank and the constellation of bilateral agreements forming the Belt and Road Initiative. Historically-Western institutions must endeavour to reform before relative decline becomes irreversible.

Indeed, properly resolving the *current* crisis *does* require global action by governments. Only governments can enforce lockdowns, and no other actor has the financial muscle to support crippled economies. In our globalised economy an outbreak of Covid-19 anywhere is a threat everywhere, so all nations must be involved in the solution. Going forward, a central global

disease-monitoring capacity is required, backed up by the capacity for rapid intervention before an outbreak reaches a hub airport. Funding can be based on ability to pay, but all countries need to agree to participate.

For other crises, from climate change to cyber-crime to bio-terrorism, substantial progress can be made through plurilateral coalitions of a variety of actors. As any lockdown film-buff knows, the rough-and-ready assembly of misfits wins in the end. The priority right now is to use the current crisis to catalyse new, broader and stronger alliances.

Link to full report

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