

Politics, Governance, and the Law

# Multilateralism 2.0: It Is Here—Are We Ready for It?

Inge Kaul<sup>1 a</sup>

<sup>1</sup> Hertie School of Governance, Berlin, Germany

Keywords: global governance, multilateralism, sovereignty

<https://doi.org/10.1525/gp.2020.17639>

---

## Global Perspectives

Vol. 1, Issue 1, 2020

---

This article argues that one of *the* key questions—or even the key question—of our times is how to foster enhanced compatibility between national policy-making sovereignty and effective multilateral cooperation. There are multiple reasons for this. First, given the growing importance of global public good-type policy challenges and the rising trend toward multipolarity, the relationships among countries are now *de facto* marked by universal multilateralism. International cooperation is no longer only an option, as it conventionally was (especially for the major powers), but a compulsion. This new, binding type of multilateralism is called here “multilateralism 2.0” to distinguish it from the conventional, more optional type of multilateralism. Second, necessary systematic reforms to make global governance fit for the new reality of multilateralism 2.0 are still lacking, because states value their sovereignty. However, a persuasive reform vision and reform leadership have not yet emerged; currently, uncertainty exists about how to have both sovereignty and effective cooperation. The world is experiencing a “Kindleberger moment”: crisis and no leadership. Accordingly, this article offers concrete suggestions on possible ways forward. It suggests that the most important and urgent reform is to forge consensus on a new principle: the “dual-compatibility principle” calling for a commitment of states to (i) more sovereignty-compatible multilateral cooperation and (ii) an exercise of national policy-making sovereignty that is more compatible with multilateral cooperation. To clearly see the critical importance of this principle, a prior, eminently doable reform step is needed: widening the analytical lens of multilateralism to capture both the “real” and the “political” sides of this phenomenon and to recognize that the former is, in effect, the independent variable and the latter the dependent one.

## INTRODUCTION

The world today witnesses a rising number of long-known global challenges, which are mostly well understood but still unresolved; they range from climate change, cyber-insecurity, and pandemic disease outbreaks to international financial instability, terrorism, and war, to name a few.

These multiplying challenges raise a critical question: has the system of global governance kept pace with the changes in global policy-making realities? It appears that the answer is likely to be “no,” considering the insistent calls by analysts urging policymakers to foster faster and scaled-up progress toward the agreed (in some cases long-agreed) global policy goals such as those outlined in the 2030 Agenda for Sustainable Development (referred to hereafter as Agenda 2030).<sup>1</sup> Assuming that the “no” answer is correct, the next questions that arise are the following: Why is there a lag in the adjustment of governance arrangements? What types of adjustments are needed? Importantly, how can they be facilitated in the future?

This article aims to offer possible answers to these questions for further research and debate. Section I examines the changes in the global policy-making realities that have occurred, notably since the mid-1970s, and the impact they

have had on the nature of the relationships among countries. It shows that owing to greater openness, the increasing importance of global challenges, and rising multipolarity, policy interdependence between states has deepened. Section II looks at the responses of state actors to these changed and still changing policy-making realities for possible clues about the factors that may currently constrain needed institutional adjustments in the system of global governance. It finds that, for the most part, actors appear to be in a “business-as-usual” behavioral framework, responding to global challenges where and to the extent that global and national interests overlap. However, there are also a few (yet very noticeable) responses that are oriented backward to more nationalism and power politics. Sovereignty is being protected at the expense of global problem-solving. Assuming that globalization and, with it, interdependence among countries are unlikely to be reversed anytime soon, but that several global public goods (GPGs), including those of global systemic relevance, such as climate change mitigation, need urgent attention, Section III suggests concrete innovations to make global governance fitter for today’s purposes and ways to follow in building up a global political momentum for change.

The concluding section highlights the main insights emerging from the discussion. In particular, it reempha-

---

a inge-kaul@t-online.de

1 For the full text of Agenda 2030, see <https://sustainabledevelopment.un.org/post2015/transformingourworld/>.

sizes that for multilateral cooperation to function effectively under the current policy-making realities, its core operational principle of multilateral cooperation needs to be replaced. It could be modeled like the “dual-compatibility” principle suggested in this article, which calls for sovereignty-compatible multilateral cooperation and an exercise of sovereignty that is compatible with multilateral cooperation.

But before elaborating on how this “dual-compatibility” principle can be made operational and maybe even attract some of the present “partial exiteers,” notably the United States, back into universal-multilateral governance, we will first examine the facts on where matters currently stand.

## I THE CHANGING CONTEXT OF GLOBAL POLICY-MAKING: MULTIPLYING INTERDEPENDENCIES AMONG STATES CREATING A NEW REALITY OF DE FACTO UNIVERSAL MULTILATERALISM

Judging from the various literature strands on ongoing global transformations, it appears that, among the changes in the global policy-making realities that have occurred during the post-World War II era, notably since the mid-1970s, the following are of special relevance in the present context: (1) the growing importance of GPG-type policy challenges and (2) increasing multipolarity. These two trends are examined in subsections I.1 and I.2, respectively. Subsection I.3 then distills from this discussion the main distinguishing features of the pre-1975 era of global policy-making realities, referred to here as the “multilateralism 1.0” (M1.0) reality, and the post-1975 era, referred to as the “multilateralism 2.0” (M2.0) era.<sup>2</sup>

### I.1 THE GROWING IMPORTANCE OF GLOBAL PUBLIC GOODS

Two main categories of GPGs can be distinguished—namely, natural GPGs, such as the atmosphere, the oceans, and much of the world’s biodiversity, and human-made GPGs, including, among others, the growing global stock of knowledge and norms (such as the basic human rights), as well as regimes undergirding the cross-border integration of institutional and physical infrastructure such as markets, transportation, and communication networks.<sup>3</sup>

One reason why GPGs have been thrust into the political limelight in recent decades is humanity’s growing environmental footprint and the resultant overutilization, degrada-

tion, and, in some cases, loss of the natural GPGs. Slowly but steadily, these effects have led to a growing global awareness of the fact that we cannot take the availability of natural GPGs for granted. This is because they belong to a group of impure GPGs, which are difficult to be made excludable but, if extensively utilized, become rival in consumption from certain thresholds onward. Hence, should we want to continue enjoying such natural GPGs, as proclaimed in numerous international resolutions, including the 2015 Paris Agreement on climate change,<sup>4</sup> this requires careful global governance designed to incentivize state and nonstate actors, through financial and nonfinancial means, to use these goods sustainably.

Another factor that has led to the growing importance of GPGs is the rising number of human-made GPGs and the rising volume of transborder economic activity they have facilitated, including the “travel” of knowledge and information as well as diseases, crime, and violence. As a result, national policy domains have become interlinked so that what had been regional, national, or local public goods became globalized and turned into GPGs, such as health and financial stability. As Haas (2017, 226) says, “a cardinal reality” today is that “little stays local.”

Importantly, many GPGs are not only global and public in consumption, in the sense that they potentially affect, for better or worse, all states and all people but also global and public in the provision, requiring inputs from all states to be adequately provided.

Thus, GPGs entail a twofold policy interdependence among states: consumption and provision interdependence. This implies that many of these goods cannot be self-provided through unilateral, bilateral, or mini-multilateral action. They require policy approaches that mirror the universal multilateralism of the existing interdependencies. Even the most powerful actors need the cooperation of others, often all others, if they want to enjoy goods such as climate stability, cybersecurity, efficiently functioning international markets and supply chains, and freedom from violence such as international terrorism.<sup>5</sup>

Let us then also look at the second major change in the global policy-making realities, which has occurred over the past several decades in parallel with the growing importance of GPGs: the rise in multipolarity.

### I.2 INCREASING MULTIPOLARITY

As more developing states moved up the development ladder, some of them have become global powerhouses and now play a proactive role in international cooperation, regionally and globally. Even the developing states that have not yet entered the rank of the so-called emerging market

2 It is perhaps useful, at the outset, to mention that, following Keohane’s (1990, 731) definition of multilateralism, many analysts use this term to refer to international cooperation or global governance initiatives of “coordinating national policies in groups of three or more states.” More recently, analysts employ the term “new multilateralism” to refer to the growing role of nonstate actors in governance processes. However, I view “policy-making realities” as the independent variable and “governance arrangements” as the dependent variable, because these arrangements are tools that we construct to support our policy-making purposes. Just like any other tools, governance arrangements should fit the purposes they are meant to serve. Hence, governance arrangements should be constructed to match the nature of both, that of the policy goals to be realized and that of the given policy-making realities. Accordingly, an important criterion for their assessment is how well-matched policy-making realities and governance arrangements are.

3 A brief introduction to public goods and global public goods is presented in the appendix to this paper.

4 See, for the text of the agreement, [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf/](https://unfccc.int/sites/default/files/english_paris_agreement.pdf/).

5 For a more detailed discussion on GPGs and their governance requirements, see, for example, the literature overview in Kaul, Blondin, and Nahtigal (2016).

economies are increasingly expecting strengthened agency in shaping their national and regional affairs and having an effective say at the policy-setting and implementation sides of international cooperation (see Lopes and Kararach 2019).

Consequently, the world has moved away from the conventional constellation of a small group of powerful states as the global policy setters, often acting under the leadership of one of the superpowers, with “the rest” of the states largely being relegated to being policy takers. Although the demands from developing states for a place at the global decision-making tables have, in many instances, met only hesitant and long, drawn-out responses, the rising trend toward multipolarity has contributed to a deconcentration of global power and infused new vibrancy into the existing forums of universal multilateralism, such as the United Nations (UN) General Assembly and its various committees.

The negotiations in these forums have now become more genuine “large-number games” with all the difficulties of reaching agreements that, as shown by game theory, are associated with these games. This is especially relevant, as the world always has been—and still is—marked by major differences and disparities. Under these conditions, reaching agreements in universal-multilateral forums, in which states expect to exercise joint agency, is likely to require that actors are willing to enter the negotiations on an equal footing, with the tolerance of diversity and the aim of reaching a fair and mutually beneficial outcome.

Thus, multipolarity has been an important additional driver in shifting the nature of the relationships among states toward de facto universal multilateralism. It has added a substantive dimension to the systemic or technical interdependencies generated by GPGs: strengthened expectations that states will interact in a spirit of equality and fairness.

### I.3 THE REALITY OF MULTILATERALISM 1.0 COMPARED TO MULTILATERALISM 2.0

The world order established in the immediate aftermath of World War II was founded on the official notion of individual, equal, and sovereign states maintaining, at their discretion, inter-nation relationships, also often referred to as “foreign affairs.” Reality has certainly deviated from this “official” worldview, as presented in the UN Charter.<sup>6</sup> An important reason has been power asymmetry. The major powers have usually been the policy setters, relegating “the rest,” the majority of states, to the position of policy takers.

Thus, the relationships among states, generally, reflected a policy choice made primarily by the major powers to further their national interests, which sometimes did but often did not overlap with those of the policy takers. Accordingly, the resultant multilateralism of the M1.0 type has been of an optional type for some states, frequently en-

tailoring interference into national policy-making sovereignty for many other states.

In contrast, the present M2.0-type relationships among states are systemic, rooted in policy interdependence resulting from the growing importance of both natural and human-made GPGs and rising global multipolarity. Both these trends have caused states to become de facto interlinked in a myriad of universal-multilateral ways; this has occurred right when the demand of states for joint agency in global policy-making is rising and, consequently, power politics is losing its teeth as a means of forging, in a peaceful and relatively effective way, global agreement on transnational policy harmonization. Therefore, how have state actors responded to this change in their relationships? Have they explored how multilateralism and, in particular, universal multilateralism could function under M2.0 realities?

## II THE RESPONSES OF STATES TO DATE TO THE NEW REALITY OF MULTILATERALISM 2.0: SEARCHING FOR WAYS TO RETAIN POLICY-MAKING SOVEREIGNTY

This section aims to present an overview of how states have responded to the changes in the global policy-making context, to examine some of the factors that may have shaped their responses, and to identify what could be a key entry point into the reinvigoration of multilateral cooperation.<sup>7</sup>

### II.1 SELECT RESPONSE PATTERNS

The observable responses of states fall into three main categories: the pursuit of business as usual, support for incremental institutional adjustments, and partial retreats from multilateralism in general and universal multilateralism in particular. The pursuit of business as usual is the predominant pattern, judged in terms of the number of states displaying this type of behavior. However, judged in terms of seeking and finding public attention, some of the partial retreats top the list.

The selected empirical evidence presented below serves to illustrate each of the three main response types, respectively.

**PURSUIT OF BUSINESS AS USUAL:** This behavioral pattern is the predominant one, as shown by a cursory look at recent debates in multilateral forums such as the UN General Assembly.<sup>8</sup> States—notably the conventional policy takers among them—are aware of existing weaknesses. However, they seem to hope that further advances toward multipolarity will lead to a strengthening of their voice in global governance and thereby help resolve the current shortcom-

<sup>6</sup> See <https://www.un.org/en/sections/un-charter/un-charter-full-text/>, Article 2.

<sup>7</sup> Today’s world undoubtedly is a multi-actor world. This also holds true for multilateral cooperation, whether it happens at the international level or, in a more decentralized way, at national or local levels. However, states still play central roles as they are endowed with special capabilities, internally—i.e., within their jurisdiction—and externally. Based on their special capabilities or powers, they are able, individually and collectively, to complement and, importantly, as and when needed, to incentivize, motivate, and enable nonstate actors or other state actors to contribute their share to the resolution of global problems. Therefore, it can be argued that the effectiveness of multilateralism hinges, to a large extent, on states’ willingness to cooperate.

<sup>8</sup> See, on this point, for example, the meeting summaries and press releases on the website of the UN Press Office at <https://www.un.org/press/en/>.

ings. There exists loyalty toward the present system and willingness to effect change within it.

This basic loyalty is also evident from the fact that none of the 193 UN member states has so far threatened a full exit from the system. Also, thousands of multilateral treaties and agreements exist. Most of them are still being observed, as good or as bad as always. Moreover, important new agreements have been adopted and receive active follow-up. Examples are the two landmark agreements of 2015, the Agenda 2030 and the Paris Agreement<sup>9</sup> on climate change.

One of the most explicit commitments of a growing number of states to multilateralism is the “Alliance of Multilateralism” established by the foreign ministers of France and Germany in 2019. The alliance understands itself as “an informal network of countries united in their conviction that a rules-based multilateral order is the only reliable guarantee for international stability and peace and that our common challenges can only be solved through cooperation.”<sup>10</sup> Also, both state actors and nonstate actors—businesses, civil society, academia, and think tanks—continue to work within the system, including at events such as the follow-up meetings to the Paris Climate Agreement, which attracted more than twenty thousand participants in 2019.<sup>11</sup>

The above facts are not meant to say that there exist no disputes and controversies, that no heated debates happen, or that negotiations do not sometimes remain fruitless. All these things happen. However, in these confrontations, universal multilateralism as such is usually not being seriously contested. They form part of delegations’ negotiating strategies and tactics.

**SUPPORT FOR INCREMENTAL ADJUSTMENTS:** The signs of existing support for isolated policy innovations that appear to reflect a growing awareness of interdependence and the need for fair and more mutually beneficial cooperation include, among others, the principle of common but differentiated responsibilities and respective capacities (in brief, CBDRRC), which indicates acceptance of the notion that sovereignty comes with rights and obligations not only toward citizens but also toward other states;<sup>12</sup> and states’ commitment, under the 2015 Paris Agreement, to voluntarily determine their national contributions to the global goal of climate change mitigation and make them public globally.<sup>13</sup> Moreover, monitoring and evaluation of the implementation of international agreements have become a “new

normal.”<sup>14</sup> Regular monitoring, reporting, and review happen not only in the field of development but also in such areas as global finance, as evident, for example, from the surveillance reports of the International Monetary Fund<sup>15</sup> and, in the area of security, from the UN Register of Conventional Arms Exports.<sup>16</sup>

There also seems to be a growing recognition of the importance of GPGs, as is evident, for example, from the rising number of global mechanisms and trust funds with a GPG-specific mandate. Examples are the Green Climate Fund; the Global Fund to Fight Aids, Tuberculosis and Malaria; the Global Alliance for Vaccines and Immunization; and the World Bank Group’s global funds and programs.<sup>17</sup>

**PARTIAL RETREATS:** The observable partial retreats from multilateralism come in several different forms, including superficial cooperation, expressing itself in, for example, “much talk and little walking of the talk”; agreement implementation à la carte, selecting from comprehensive agreements such as Agenda 2030 only those that one likes to comply with; creation of parallel alternative forums; propagation and formation of “club” governance and “voluntary” multilateralism; and retreat into nationalism.

Several of these response types are not altogether new. For example, both China and the United States, as well as several other states, neither joined nor ratified all multilateral treaties.<sup>18</sup> What is new now is that some of these actions are taken in a more open, unabashed way, sometimes even with considerable fanfare to seek public attention. The most prominent example of this new, straightforward form of partial retreat is the current US president’s doctrine and practice of “America First,” which also represents its most radical form—namely, retreat into the national “shell.”

Similarly, some of the current efforts aimed at promoting “club governance” have also been surrounded by much publicity. For example, the Group of Twenty (G20), which comprises nineteen of the world’s largest economies plus the European Union, refers to itself as the premier forum of international cooperation, holds spectacular large-scale annual summits, and receives and relies on inputs from the self-selected members of its so-called engagement groups volunteering to lend the G20 club “legitimacy.”<sup>19</sup> But legitimacy to do what? What have the group’s achievements been? Not much that would not have happened anyway (or that had not already happened), besides sending the message that “the present multilateral organizations are ineffi-

9 See, again, footnotes 1 and 4 above.

10 See the page “The Alliance” on <https://multilateralism.org/the-alliance/>.

11 See <https://unfccc.int/cop25/>.

12 The principle is enshrined in the 1992 UN Framework Convention on Climate Change. See [https://unfccc.int/files/essential\\_background/convention/background/application/pdf/convention\\_text\\_with\\_annexes\\_english\\_for\\_posting.pdf](https://unfccc.int/files/essential_background/convention/background/application/pdf/convention_text_with_annexes_english_for_posting.pdf).

13 See <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/nationally-determined-contributions-ndcs/>.

14 See, for example, the elaborate reporting, monitoring, and review requirements for the 17 main goals and 169 subgoals of Agenda 2030 at <https://www.un.org/sustainabledevelopment/monitoring-and-progress-hlpf/>; and <https://unstats.un.org/sdgs/unct-toolkit/>.

15 See <https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2019/08/23/A-Monitoring-Framework-for-Global-Financial-Stability-46645/>.

16 See <https://www.un.org/disarmament/convarms/register/>.

17 See <https://www.greenclimate.fund/>; <https://www.theglobalfund.org/en/>; <https://www.gavi.org/>; and <https://www.worldbank.org/en/about/unit/dfi/trust-funds-and-program/>.

18 See, on China, for example, Gómez Martos (2019) and on the United States, among others, Mirelli (2018) and Thimm (2016).

19 See, for example, the websites of the current host country, Saudi Arabia, and that of the former one, Argentina, at, respectively, <https://g20.org/en/Pages/home.aspx/> and <https://g20.argentina.gob.ar/en/>.

cient,” without, however, indicating concretely what difference the G20 could make: how could it make universal multilateralism happen efficiently and effectively?<sup>20</sup>

Thus, what are the factors and motivations that could explain these various responses?

## II.2 TRACING THE UNDERLYING FACTORS

Lagging institutional adjustment to changing realities has been a well-known, often encountered phenomenon throughout history (see North 2016). Undoubtedly, lock-in and path dependency also explain some part of the cautious and sometimes change-avoiding or negating responses to M2.0.

Additionally, as van Aaken and Vassel (2019) argue, psychological factors might come into play—notably, factors related to loss aversion. For example, it seems that it is only now that the conventional powers are fully realizing that the M2.0 conditions entail for them a loss of relative power and, with that, a loss of their ability to shape global policy according to their national interests, rather than in a way that considers the needs of the global challenges and the right of other states to noninterference. Hence their immediate reaction is to ignore or stem the tide of change, even to retreat into their national shell and attempt unilateral decision-making aimed at making the world—again—function according to their particular preferences.

In some cases, the source of allegations of unfairness leveled notably by some developed countries against multilateral cooperation is also “innovation lethargy”: state and nonstate actors, notably corporations, resting on their past achievements and failing to keep up with the developments of developing states, leading to important “first mover” advantages to these latecomers in several global markets (see Christensen 2016; Mahbubani 2020). Several facets of the present geostrategic disputes between China and the United States are rooted in competition for scarce resources and market shares being carried forward into the domain of multilateral cooperation and policy-making. This because the global norm and standard-setting in a policy field such as information technology could have distributional consequences, including financial and ideological ones. Hence, both sides may view it as a further potential threat to their national policy-making sovereignty (see Roberts, Choer Moraes, and Ferguson 2019).

In contrast, for many developing states, increasing multipolarity often means a change for the better—namely, more policy-making sovereignty—and may explain much of the continuing support for the existing governance arrangements that they may hope will become even more participatory in future, once some of the present uncertainties are sorted out.<sup>21</sup>

## II.3 STILL IN A “KINDLEBERGER MOMENT”

In his 1973 book on the Great Depression, Kindleberger argued that the depression was “great” because the global economic system had lost its hegemon. There was no one running the system at the moment when the world needed leadership most. Hence, times of crisis with lacking leadership became known as “Kindleberger moments.” It seems we are again in a Kindleberger moment.

Taken together, the discussions in subsections II.1 and II.2 corroborate this assessment. They suggest that many states, perhaps even a clear majority of states, still go along with the present system of multilateral governance. This could be because they value the recognition as a sovereign state that UN membership affords them and because they do not yet see a persuasive alternative to the present system. They seek to secure their sovereignty in their various particular ways, although many undoubtedly realize that the current practices are not the best ones to promote the agreed goals of global sustainable growth and development—but may, rather, lead toward a world in ever greater disarray.

However, the broad basic support for the present system of multilateral governance is an important asset. It provides the basic institutional structure to which to add the modifications required to make the system fit for the current M2.0 reality.<sup>22</sup>

## III MOVING FORWARD: GETTING READY FOR TODAY’S M2.0 WORLD

In light of the foregoing analysis, it appears that two policy initiatives could free the world from the Kindleberger trap: (1) to formulate a persuasive yet realistic forward-looking vision of how states can have both their policy-making sovereignty and more effective multilateral cooperation and (2) to fill the current leadership void. The discussion in this section shows that both initiatives are quite doable and, importantly, the time may be right to launch them.

### III.1 OFFERING A PERSUASIVE VISION: MORE SECURE SOVEREIGNTY, MORE EFFECTIVE MULTILATERALISM, MORE GLOBAL SUSTAINABLE GROWTH AND DEVELOPMENT

For states to cross the national-interest hurdle that currently tends to limit their engagement in multilateral cooperation and to do so with the support of their national constituencies, they would need systematic, well-documented proof that multilateral cooperation is a “good thing” for the country and, with the right domestic policies in place, for all citizens, even current and future generations. As more peo-

20 See, on this point, among others, Kharas, Snower, and Strauss (2020, 79). On the issue of club governance, see also the special issue of the *South African Journal of International Affairs* 26:4 (December 2019), notably the overview article by Berger et al. (2019). For a review of the G20’s performance between 2008/2009 and 2019, see Kaul (2019) and also the G20 Information Centre website at <http://www.g20.utoronto.ca/>.

21 For a more detailed discussion on exit and voice in global governance, see Kaul (2020).

22 Several conventional international relationships will, of course, continue, such as, for example, bilateral diplomatic relations, foreign-aid relations, or alliance building for military purposes. Much of the present system of international cooperation still has its purpose; and, therefore, the new arrangements discussed in the next section can be seen as an addition to and not as a replacement of the present system.

ple now seem to be “mixed-motive” actors, who have not only their interests in mind but also those of other people and the planet as a whole, states would also need reliable data and strong arguments in support of the potential regional and global benefits to be derived from enhanced multilateral cooperation.<sup>23</sup> Put differently, they would need to make a convincing case for multilateral cooperation that is sovereignty-compatible.

However, for states to make such a case, it would also be necessary concurrently to commit themselves to an exercise of national policy-making sovereignty that is compatible with multilateral cooperation. Each one of these two commitments would generate the motivation and willingness of states to comply with the other commitment.

Multilateral cooperation, which all the concerned parties, state and nonstate actors, view as deserving the label “sovereignty-compatible,” may need to meet, among other things, the following criteria:

- states’ engagement is self-determined;
- cooperation is based on the principle of the sovereign equality of the interacting parties and that of their common but differentiated responsibilities and respective capacities, as well as on the rule of joint agency and tolerance of others’ views, preferences, and capacities;
- all parties have access to all official information concerning the substance and process of their negotiations; and
- all parties enter the negotiations and decision-making processes (at both the policy-setting stage and the implementation stage) willing to achieve an outcome considered by all concerned as fair, generating across issue areas and over time clear and significant net benefits and, thereby, the proof that, indeed, it “pays” in financial and nonfinancial terms to cooperate, especially in policy fields marked by interdependence and de facto M2.0 relationships among states.

To meet these criteria is a tall order, and it is essential for states to be strongly motivated to abide by them. Therefore, it would be essential for states also to accept a companion commitment—namely, to reassure each other of an exercise of sovereignty that is compatible with multilateral cooperation. In terms of states’ behavior, this might entail the following:

- to consider the “regional” and the “global” when making national policy choices, including the sovereignty of other states, notably their freedom to be free from interference, including potentially harmful but avoidable cross-border spillover effects;
- to make necessary arrangements to contribute their fair share of financial or nonfinancial resources to agreed-upon collective endeavors, which are to be undertaken collectively at the international level as complements of the domestic corrective measures that states volunteer to implement; and
- to comply with international monitoring, evaluation, and reporting requirements in the interest of global transparency, mutual accountability, and trust-building among all state and nonstate cooperation partners and stakeholders.

Taken together, the two types of commitments form the core elements of what can be called the “dual-compatibility principle.” Assuming states agree to adopt this principle, it would become possible for all countries and state and nonstate actors actually to have both: more secure national sovereignty and more effective multilateral cooperation resulting in more global sustainability.

However, to make a sound case for the adoption of this dual-compatibility principle, further research by social science and international law scholars, as well as participatory global conversations and consultations, are needed, including on such issues as expanding the notion of multilateralism to make it capture both the reality of the relationships among states and the governance choices they make to achieve intended policy goals; considering the legal implications, if any, of the notion of an exercise of sovereignty that considers, as suggested above, not only narrowly defined national interests but also “the regional” and “the global” and this because it is the best way of meeting national interests; and constructing a systematic theory and policy practice of global public economics, including a shared understanding of the concept of GPGs. These are feasible tasks, because many relevant building blocks can be found in the literature already, waiting to be synthesized.

Progress along these lines could help policymakers and their various constituencies to see more clearly when and up to what point to engage in inter-state rivalry and when in fair and effective international cooperation. There are “good” reasons for the fierce big-power rivalry we are currently witnessing. Academic failure would compound political failure, if social scientists were to continue not to offer advice on how such rivalry can be averted or, at least, reduced.

In addition, new and additional organizational arrangements may be needed, including adding global-issue management to the governance systems at national and international levels as a new policy field to facilitate, through appropriate platform or networking arrangements, the coming together of the many varied inputs from numerous public and private actors that the adequate provision of GPGs often requires.

Thus, progress toward the suggested vision or narrative of having more sovereignty and sustainability than now sounds like a formidable task at first. However, when examined more closely, the needed reform steps appear to be quite doable from a scientific and technical viewpoint; and, as the next subsection indicates, the political demand for change is also growing.

### III.2 FILLING THE LEADERSHIP VOID

One could consider adopting an approach that has often been used when new ideas had to be introduced into the global policy arena: the establishment of a high-level panel of eminent, internationally renowned, independent personalities to hold worldwide consultations and, based thereon, to offer advice to governments and the international community at large on how to deal with the issue at stake. Ideally, such a panel would be established under the umbrella of the United Nations, considering it is the UN Charter that has declared the principle of sovereign equality of all states

<sup>23</sup> See, on this point, among others, [https://www.civicus.org/documents/reports-and-publications/SOCS/2020/SOCS2020\\_Executive\\_Summary\\_en.pdf](https://www.civicus.org/documents/reports-and-publications/SOCS/2020/SOCS2020_Executive_Summary_en.pdf).

and called on states to come together to solve the problems that no country can solve alone, and that it is now the UN75 Declaration, which, once again, emphasizes the importance of reinvigorated multilateralism.<sup>24</sup> Moreover, the practice of launching global conversations on major new policy issues is by now quite well established in the United Nations.<sup>25</sup>

As the dual-compatibility principle touches upon such critical aspects as sovereignty and, hence, countries' and people's freedoms, it, too, is an issue that requires participatory global conversations to complement and inform the deliberations of the suggested eminent persons panel and, importantly, to guide states' positions on this matter. Today's communication technologies greatly facilitate such worldwide outreach.

## CONCLUSION: GETTING CLOSER TO THE FUTURE WE WANT

In 1945, UN member states agreed on a collective approach to securing states' national borders to reduce the risk of war. Now, seventy-five years later, it appears to be time for UN member states to adopt a collective approach to securing national policy-making sovereignty in order to deal with growing interdependence leading to states' relationships being marked by increasing de facto universal multilateralism, termed here multilateralism 2.0 or M2.0. The new M2.0 policy-making reality requires reinvigorated multilateral governance, notably global governance arrangements marked by universal state membership and a new operating principle perhaps modeled along the lines of the dual-compatibility principle suggested in this paper. Whichever form the new operating principle might ultimately take, it would need to achieve the twin objective of promoting more multilateralism that is sovereignty-compatible and more effective in terms of resolving global challenges and promoting global sustainability.

This may sound like a Herculean task. However, as this article also shows, the needed reform steps are quite doable, and, importantly, the political conditions for the recommended reforms appear to be ripe. These reforms would, of course, not solve all the risks and challenges we currently confront. However, if acted upon, they could bring us somewhat closer to the world outlined in Agenda 2030 and again in the UN75 Declaration.

## APPENDIX: INTRODUCING GLOBAL PUBLIC GOODS

Global public goods (GPGs) share with other public goods (PGs) the key property of publicness in consumption: being fully or partially nonrival and nonexcludable. If a PG has both properties, it is said to be "pure public," and, if it has only one of the properties, it is called "impure public."

What distinguishes GPGs from other PGs is the reach of their publicness in consumption, which (i) spans several geographic regions or even the globe as a whole; and (ii) may

penetrate into countries, areas beyond national jurisdictions, or both, with variable levels of impact; and (iii) may be of long-term duration, affecting, for better or worse, several generations. Put differently, criterion (i) is the defining property of a GPG, which can potentially comprise three dimensions:

- a spatial dimension: being of worldwide span;
- an impact dimension: reaching into countries and areas beyond national jurisdiction;
- a temporal dimension: having long-term effects and impact.

In many cases, global publicness in consumption along any of these three dimensions is not an innate property of the good but reflects a policy choice or the lack thereof.

In addition to being public in consumption, many GPGs are also public in provision, meaning that their provision depends on inputs from a large number of state and non-state actors, who may operate in multiple sectors and at multiple levels of governance. Thus, the required inputs may include private goods and various national, regional, or other related GPGs.

Thus, GPGs are highly complex phenomena; and it is often difficult, if not impossible, for any individual actor or actor group, however powerful or skilled, to unilaterally provide a GPG. An adequate provision of GPGs such as climate change mitigation, communicable disease control, financial stability, ocean health, or peace and security, therefore, calls for effective and, to this end, incentive-compatible international and sometimes even universal multilateral cooperation among all the concerned parties, actors, and stakeholders.

Source: Based on Kaul, Blondin, and Nahtigal (2016).

## ACKNOWLEDGEMENTS

The author would like to thank the following reviewers for their comments on an earlier draft of this article: Edward Knudsen, Kishore Mahbubani, Michael Zürn, and an anonymous reviewer. Further comments and observations are welcome and can be sent to [contact@ingekaul.net](mailto:contact@ingekaul.net).

## AUTHOR BIOGRAPHY

Inge Kaul is senior fellow at the Hertie School, Berlin, and nonresident fellow at the Center for Global Development, Washington, DC. Previously she served as director of the Human Development Report Office and the Office of Development Studies at the United Nations Development Programme (UNDP), New York. She is the lead editor/coauthor of a series of publications on the theory and policy practice of global public goods provision and international cooperation financing. Her current research topics include the role of the G20 and the future of multilateralism, with her main research work focusing on identifying ways and means of fostering enhanced compatibility between international

<sup>24</sup> The official title of the UN75 Declaration is Declaration on the Commemoration of the Seventy-Fifth Anniversary of the United Nations. It is to be adopted by the Heads of State and Government at the UN General Assembly session on September 21, 2020. At the time of the writing of this article, only a final draft of the Declaration exists at <https://www.un.org/pga/74/wp-content/uploads/sites/99/2020/07/UN75-FINAL-DRAFT-DECLARATION.pdf>.

<sup>25</sup> See <https://www.un.org/un75/> and <https://sustainabledevelopment.un.org/content/documents/841global-conversation-begins-web.pdf/>.

cooperation and national policy-making sovereignty, a key missing link in today's efforts to promote global sustainable growth and development. See also [www.ingekaul.net/](http://www.ingekaul.net/).

## REFERENCES

- Aaken, Anne, and Johann Justus Vasel. 2019. "Demultilateralisation: A Cognitive Psychological Perspective." *European Law Journal* 25 (5): 487–93. <https://doi.org/10.1111/eulj.12337>.
- Christensen, Clayton M. 2016. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Harvard: Harvard Business Review Press.
- Gómez Martos, Francisco J. 2019. "Multilateralism Chinese Style." *Fondation Robert Schuman/ European Issues* N° 540.
- Haas, Richard. 2017. *A World in Disarray*. New York, New York: Penguin Books.
- Kaul, Inge. 2019. "The G20@10: Time to Shift Gears." Edited by Axel Berger, Andrew F. Cooper, and Sven Grimm. *South African Journal of International Affairs*, A decade of G20 summitry: Assessing the benefits, limitations and future of club governance in turbulent times, 26 (4): 563–82.
- . 2020. "Exit and Voice in Global Governance." In *A Passion for the Possible*, edited by Luca Meldolesi and Nicoletta Stame, 313–32. <https://media-manager.net/storage/achii/uploads/public/5e8/e00/920/5e8e00920f>.
- Kaul, Inge, Donald Blondin, and Neva Nahtigal. 2016. "Understanding Global Public Goods: Where We Are and Where to Next." In *Global Public Goods. The International Library of Critical Writings in Economics*, edited by Inge Kaul, xii–xcii. Cheltenham: Edward Elgar.
- Keohane, Robert O. 1990. "Multilateralism: An Agenda for Research." *International Journal* 45 (4): 731–64. <https://doi.org/10.1177/002070209004500401>.
- Kharas, Homi, Dennis J. Snower, and Sebastian Strauss. 2020. "The Future of Multilateralism; Toward a Responsible Globalization That Empowers Citizens and Leaves No One Behind." *Global Solution Journal* 5: 78–83.
- Lopes, Carlos, and George Kararach. 2019. *Misperceptions, New Narratives and Development in the 21st Century*. Abingdon, Oxon and New York: Routledge.
- Mahbubani, Kishore. 2020. *Has China Won?* New York: Public Affairs.
- Mirelli, Annalisa. 2018. "It's Not Just Trump. The US Has Always Broken Its Treaties, Pacts and Promises." *Quartz Daily Brief*, May 12, 2018. <https://qz.com/1273510/all-the-international-agreements-the-us-has-broken-before-the-iran-deal/>.
- Roberts, Anthea, Henrique Choer Moraes, and Victor Ferguson. 2019. "Toward a Geoeconomic Order in International Trade and Investment." *Journal of International Economic Law* 22 (4): 655–76. <https://doi.org/10.1093/jiel/jgz036>.
- Thimm, Johannes. 2016. *The United States & Multilateral Treaties: A Policy Puzzle*. Boulder, CO: Lynne Rienner Publishers.