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## **Key take-aways:**

- The war in Ukraine intensifies the on-going competition within multilateral institutions
- The war has seemingly solidified the alliance between Russia and China, also within multilaterals
- Russia and China have adopted western states' playbook and are having some success in efforts to change how international rules should be interpreted
- Qualitative changes in the funding of the multilateral system over the last twenty years

   increasingly relying on voluntary and earmarked funding makes it more open to
   weaponization by China and Russia
- This weaponization is characterized by Russia and China turning the language of rule of law and multilateralism against the core tenets of multilateralism
- For Norway, these changes represent bad news, as multilaterals have served a wide range
  of foreign policy interests relating to promotion of a rules based order, contributing to
  global development, and also serving as an administrative channel for increased aid
  budgets
- Going forward, Norway and allied states will probably have to play more defense and prevent China and Russia from trying to re-write international rules
- Norway also has to prioritize which areas to invest in, and take a hard look at which
  multilaterals to support, differentiating between efforts aimed at supporting or defending
  specific international rules and efforts aimed at funding specific organizations and
  projects

### Introduction

Multilateralism was in trouble long before Russia invaded Ukraine: Increased rivalry between China and Russia, on the one hand, and the US and its allies, on the other, has made the most important international decision making body – the UN Security Council –less capable than before of addressing core issues on its agenda.¹ For sure, the Council has renewed mandates for existing peace operations, but have not been able to establish new ones to address on-going conflicts.² With the war in Ukraine and the seeming solidification of closer ties between Russia and China, there is reason to expect that multilateral decision making will deteriorate further.

We have been here before, of course: The Cold War was also marked by great power rivalry, which translated into mutual suspicion and inertia across the UN system and beyond. But there has been a qualitative shift in the functioning of multilateral institutions, and so the consequences of intensified rivalry will be different, and more troubling than in earlier periods. During the Cold War, the Soviet Union and its allies did not seek to govern or change multilateral institutions, opting in stead to play defence against western powers initiatives. Now, however, Russia and China have borrowed western states playbook, and are investing considerable resources into remaking multilateralism so as to better reflect their interests.

This is made possible by changes in funding structures, which allow states to support multilateral organizations with voluntary and earmarked funding, thus shaping their operations. This has worked to western states' advantage since the end of the Cold War, giving them an outsized influence over multilaterals.<sup>3</sup> But it also leaves this path open to China and Russia: China in particular is investing more in multilateral organizations and are establishing new governance initiatives within UN to counter western influence and to advance its own agenda. This is particularly troubling given that China and Russia are both trying to change the interpretation of the rules that multilateral institutions are supposed to define and uphold. For example, China and Russia are pushing for a new norm of "civilizational diversity" as a way to undermine the position of established norms – such as human rights.<sup>4</sup> Indeed, Russia's strategy to first annex and then stage forced referenda in occupied territories in south-eastern Ukraine is testament to a new normal where Russia is twisting established multilateral principles about sovereignty and the rule of law as *justification* for political projects that are antithetical to a rules-based international order.

<sup>1</sup> I thank NUPI colleagues Kari Osland, Stein S. Eriksen, Roman Vakulchuk and Øyvind Svendsen as well as staff at NORAD and at the Norwegian Foreign Ministry for helpful comments. All errors and omission are mine. The functioning of the UN Security Council has always reflected the character of the relationship between the five permanent members: During the Cold War, western powers and the Soviet Union routinely vetoed one another's resolutions. After the Cold War, a period of relative approachment prevailed, with higher frequency of resolutions going through, especially on mandates for peace operations.

<sup>2</sup> See Osland, K. M., & Peter, M. (2021). UN peace operations in a multipolar order: Building peace through the rule of law and bottom-up approaches. Contemporary Security Policy, 42(2), 197-210; Foot, R. (2020). China, the UN, and human protection: Beliefs, power, image. Oxford University Press; Gowan, R. (2020, November 25). UN peacekeeping in a fragmenting international order. International Crisis Group Speech

<sup>3</sup> Graham, E.R., 2017. The institutional design of funding rules at international organizations: Explaining the transformation in financing the United Nations. European Journal of International Relations, 23(2), pp.365-390.

<sup>4</sup> Weiss, J. C. (2019). A world safe for autocracy: China's rise and the future of global politics. Foreign Aff., 98, 92.

The upshot of this is that the multilateral system is not as institutionalized and able to fix the meaning of international rules as we tend to assume. It appeared to be so both during the Cold War and especially in the post-Cold War era, beause the US and its allies had a hand on the wheel and a foot on the gas pedal while the Soviet Union were content with merely hitting the brakes every now and then. Now, however, both Russia and China are investing in efforts to either contest, dilute or change these rules both from outside and inside the multilateral system. The war in Ukraine has intensified the competition between democratic and autocratic states within multilaterals over how to interpret and apply international rules.

While the UN has proved important as an arena to mobilize votes condemning Russian aggression in the General Assembly, it is an open question whether future efforts on similar issues will prevail. This is because multilateral organizations are more open to weaponization than ever and now with Russia and China seeming bent on changing the meaning of key international rules. This has consequences for Norway, as Norwegian foreign- and development policy is based on the assumption that financial support to UN organizations is also a contribution to a "rules-based" international order. In this current context, this assumption is not necessarily correct.

#### Dimensions of multilateralism

Multilateralism basically means cooperative action among three of more states, being differentiated from bilateral (between two states) and unilateral (one state) action. However, in scholarly literature and in public debates, "multilateralism" is principally associated with international organizations with universal or near universal membership, such as the United Nations. It is the latter meaning that will be discussed here. There are three inter-related dimensions of multilateralism thus understood:

First, it is a *system of organizations* such as UN agencies, the World Health Organization, the World Bank, and the International Monetary Fund. This is multilateralism in the way we most often hear about and refer to, as actors engaging in global governance and crisis management, whether in the form of Covid, humanitarian assistance, debt relief or peacekeeping operations. It is important to distinguish between multilateral organizations as arenas where member states meet, and as actors with a permanent staff and resources to take action. In analyzing multilateralism as a system of organizations, it is important to consider both aspects: While member states as members, owners and funders decide on strategies, rules, and funding mechanisms, the permanent staff of these organizationsl also hold considerable power as interpreters of rules, implementers of projects, and authoritative sources of knowledge.<sup>6</sup>

Second, it is a *system of rule making* that has been negotiated and codified by member states, defining the rules of the game of international politics. The most important is the UN Charter and Articles 2 (1) and 2 (4), which define the sovereign equality and territorial integrity of member states, as well as the obligation, under Article 2 (3), to settle disputes peacefully. In addition to these foundational rules, there is a vast body of international law which covers health, transportation, arbitration, finance, disarmament, the oceans etc. This is multilater-

<sup>5</sup> Weaponization refers to the use of rules, institutions or global infrastructures for the purpose of imposing costs and undermining the position of other states. See Farrell, H., & Newman, A. L. (2019). Weaponized interdependence: How global economic networks shape state coercion. International Security, 44(1), 42-79.

<sup>6</sup> Barnett, Michael and Martha Finnemore (2004) Rules for the World. Cornell University Press.

alism in the form of the well-known expression of a "rules-based" international order, although there is a clear hierarchy within the current international system with the five permanent members of the UN Security Council being authorized to make binding decisions for all states.

Third, multilateralism is an *institutionalized norm that provides legitimacy* in international politics. A system of organizations and a rules-based order can be both bilateral or even unilateral, as expressed, for example, in imperial or other hierarchical arrangements. But organizations and rules that are genuinely multilateral, have a very different basis of legitimacy than those that are bilateral or unilateral. There is therefore a legitimacy premium on acting through multilateral organizations, and having rules based on multilateral negotiations.

Changes in each of these dimensions produces a new configuration and thus meaning of multilateralism. For example, changes in the first dimension, on organizations, has implications for the perceived value by member states of investing in the second dimension of rule-making, and also for the value of multilateralism as a generic norm for engaging in global governance. As described below, changes in these central dimensions of multilateralism raise questions about its viability in light of the war in Ukraine, and changes in how Russia and China are seeking to make their mark on multilateralism.

# **Changes in the three dimensions**

Changes in funding of multilateral organizations: During the 1990s, Western states introduced a new mechanism of funding multilateral organizations that allowed them to exercise outsized influence on their operations.8 While UN agencies would still be governed by executive boards that would reflect the diversity of views of UN member states, rich states in the OECD-sphere provided extra, voluntary funding, often earmarked for specific purposes. This was good for chronically under-funded UN agencies, for example, but it also meant that the universal and "public" character of multilateral organizations was undermined: Rich states could buy influence and steer the operations of multilateral organizations in their preferred direction. A related trend is the increased role of private, philanthropic funding for multilateral organizations (a noticeable example being the Bill and Melinda Gates Foundation), and the growth of so-called public-private partnerships to address global challenges. 9 Both the growth of voluntary funding and the increased influence of private actors have expanded the operational capacity of multilateral organizations. At the same time, the combined effect of these two trends has been a subtle yet important shift in the meaning attached to multilateral organizations: They are increasingly open to being steered and used for projects promoted by states (and private actors) that are willing to invest resources into it. 10 There has also been a marked shift in the evaluative criteria of multilaterals, where publicness and adherence to bureaucratic rules are becoming less important, and much more whether they can team up with private actors to deliver goods and services deemed useful and relevant to reach the SDGs. One way to describe this is that multilateral organizations are less public than before,

<sup>7</sup> Mattern, J. B., & Zarakol, A. (2016). Hierarchies in world politics. International Organization, 70(3), 623-654.

<sup>8</sup> Graham, E. R. (2015). Money and multilateralism: how funding rules constitute IO governance. International Theory, 7(1), 162-194.

<sup>9</sup> Andonova, L. B. (2017). Governance entrepreneurs: International organizations and the rise of global public-private partnerships. Cambridge University Press.

<sup>10</sup> Seabrooke, L., & Sending, O. J. (2020). Contracting development: managerialism and consultants in intergovernmental organizations. Review of International Political Economy, 27(4), 802-827. 7.

being controlled by the largest donors – both states and private ones – and increasingly judged on their efficiency and output capacity rather than on established, inter-governmental mandates.

Changes in multilateral rule making: The most obvious thing we can observe about multilateralism as a system of rule making is that very little is happening. The last significant achievement on this score was the 2015 Paris Agreement on climate change. The Paris Agreement is a landmark international treaty – with Russia and China as signatories, and with the US withdrawing under President Trump, and President Biden reinstating the US just hours after being sworn into office in January, 2021. The Paris Agreement is nonetheless noteworthy for it does not prohibit certain behaviors and rely on "soft law" mechanisms. The most important of these is the "pledge and review" mechanisms whereby states are obliged to report on its efforts to reach the targets being set at the national level, followed by review by other states, but with no sanctions attached. In this, the Paris Agreement is more similar to the structure of the Sustainable Development Goals (SDGs) that set broad targets to the reached, operationalized in terms of result indicators, but with no binding rules or mechanism to hold states accountable. In this sense, rule making is increasingly operating in the realm of voluntary commitments, marked by "soft" rather than "hard" law.<sup>11</sup>

Add to this that a long-running trend is the watering down of multilateral rule making by the emergence of "minilateral" and "club" rule making. 12 The most influential is the Group of 7 (G7), which was established in 1975, and initially focused mainly on economic issues. Today, both the G7 and the G20 have expanded their purview considerably and serve as a self-appointed "executive" on many issues, often asking – or tasking – multilateral organizations to act on issues. Here, "multilateral" is invoked to offer legitimacy for a smaller group of states to act in the name of all states, or to manage evolving crises on their behalf. This shift to minilateral or club governance, reflect both how more powerful states take it upon themselves to govern in the name of all, but also the high costs, and often impossibility, of taking action on the basis of consensus among all member states. It is nonetheless noteworthy that this trend has accelerated over the last two decades, with UN member states often preferring more "low-cost" solutions, by partnering with a handful of states to act on an issue rather than placing it in the hands of a multilateral organization. In Asia, the so-called QUAD is a case in point, consisting of security cooperation between the US, India, Japan and Australia. So, too, is its competitor (of sorts) in the form of the China-led Mekong-Lacang Cooperation (MLC). Such governance initiatives are not new of course, but they are proliferating, and they are replacing and undermining the institution of multilateralism.

Changes in the norm of multilateralism: In light of the changes above, it should come as no surprise that the norm of multilateralism has changed, too. There is an added legitimacy to doing things via multilateral organizations, and to presenting rule-making as multilateral. But other norms have other time seeped into shape multilateral rule making – including changes in funding patterns - to the extent that the *practice* of multilateralism now conforms less to the idea of inter-governmental negotiation and rule making. This is not to say that

<sup>11</sup> Slaughter, A. M. (2016). How to succeed in the networked world: a grand strategy for the digital age. Foreign  $\frac{1}{2}$ 

<sup>12</sup> Karlsrud, J., & Reykers, Y. (2020). Ad hoc coalitions and institutional exploitation in international security: towards a typology. Third world quarterly, 41(9), 1518-1536; Eckersley, R. (2012) Moving forward in the climate negotiations: Multilateralism or minilateralism? Global environmental politics 12, no. 2 24-42.

multilateralism is not to be preferred over unilateral or bilateral rule making, of course. But it does mean that multilateralism is much less characterized by inclusive decision making, public funding, and collective action bound by rules than we tend to assume.

This discussion suggests that it is not necessarily the case that strong multilateral organizations equals a strong rules-based order. Nor does it mean that a rules-based order is necessarily multilateral or advantageous from a Norwegian perspective. It depends on the contents of the rules, and of how – and by whom – the rules have designed them.

### The war in Ukraine and the future of multilateralism

Russia, a permanent member of the UN Security Council, is waging a war and seeking to annex a neighbouring country in a *neo-imperial landgrab*. It is because of this that the stakes of the war are so high, as it concerns the very idea of a "rules-based" international order as set out in the UN Charter, organized around sovereign statehood, where small states can be assured that their sovereignty is as inviolable as that of more powerful states. The United States also broke these rules when it invaded Iraq 2003. The consequences of the war in Ukraine are nonetheless different, both because the character of the rule-violation is more serious but also because the context, with heightened great power rivalry and a changed multilateral system. Indeed, Russia is increasingly depicting the war in Ukraine as one against "the West." It is therefore hard to see a path forward for sustained cooperation with Russia – multilateral or otherwise – from the forty or so states that are now supporting Ukraine. The implication is that multilateral channels are likely to be even more prone to become victims of a dynamic that it was established to contain, namely rivalry and conflict between states, and great powers in particular.

There are some positive signs: The UN General Assembly has voted overwhelmingly to condemn Russia´s invasion, and the fake referendums in the eastern regions of Donetsk, Luhansk, Kherson and Zaporizhia. It has also voted – albeit less overwhelmingly, to expel Russia from the UN Human Rights Council. In this regard, the UN does indeed function as a formal manifestation of "world opinion" and a delegitimation of Russia´s behavior. These votes also signals to other states the political costs of this type of rule-breaking, which is very important. Nonetheless, the functioning and effectiveness of multilateral institutions reflect the relationship between its most powerful members, and given the mobilization against Russia from a large number of these members, this will frame future multilateral negotiations.

Already before the war in Ukraine, we heard talk of an ominous "return" to a Cold War logic, with the US, allied with the EU, pitted against a rising China, allied with Russia. But given the structural changes in the multilateral system described above, things are worse. During the Cold War, the multilateral system of organizations had less capacity, but it was less prone to weaponization by the great powers. Indeed, the Soviet Union never invested in multilaterals the way that the US did, and so the multilateral system served to codify norms and practices that promoted US and western rather than Soviet interests. Now, both China and Russia have learned western states' playbook, beefing up support – often through voluntary funding - for multilateral organizations, and building new alliances within the framework of the multilateral system to undermine established rules. For example, Russia provided voluntary funding to a Special Rapporteur of the UN Human Rights Council to write a report on the negative impact on human rights in Russia by the sanctions imposed by the US and the EU following

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#### Russia's annexation of Crimea.<sup>13</sup>

Russia and China are also building institutions outside the multilateral system, such as the Shanghai Cooperation Organization (SCO), which engages, inter alia, in election monitoring, routinely declaring elections among member states in Central Asia as "free and fair", which serve to undermine established UN human rights norms.<sup>14</sup>

The war in Ukraine super-charges these existing trends, but more importantly introduces a new dynamic, where western states will see multilateralism through the lens of the war in Ukraine. At the UNGA High-Level meeting in September, 2022, there were visible signs of the US seeking to rally support behind its criticism of Russia and its countering of China by, inter alia, tabling proposals for reform of the UN Security Council that are bound to be shut down. Russia and China, meanwhile, drew on the concept of "group of friends", initially developed for informal support for the UN Secretary General's reform agenda, to establish a "Group of Friends in defense of the Charter of the UN" which includes, China, Russia, Belarus, Bolivia, Venezuela, North Korea, Iran and Syria, the unifying force behind it being opposition to US sanctions.

We are likely to see more of the same logic in the future, with Russia and China seeking to mimic "multilateralism" – using multilaterals as tools - for political projects that seek to undermine or change already established multilateral rules. The concept of "respect for civilizational diversity" – which sounds harmless enough – is promoted by China and also Russia within different multilateral organizations in an effort to muddy the waters and dilute established language on human rights, for example. The statement by Russia and China on February 4<sup>th</sup>, 2022, announcing their strengthened partnership, calls among other things for the protection of "...the United Nations-driven international architecture and the international law-based world order..."16 When viewed in light of Russia's war in Ukraina and China's support of it, this reads as an attempt to transform central features of multilateralism, notably a rules-based international order, into a rhetorical weapon *against* a rules based international order. For example, when Russian President Vladimir Putin announced the four south-east regions of Ukraine as Russian territory following staged referenda there in the week prior, it was an expression of anti-multilateralism under the guise of multilateralism: Putin said that "The dictatorship of the Western elites is directed against all societies, including the peoples of the Western countries themselves. This is a challenge to all."17

In this context, it is worrisome that there is a disconnect between the US and European states, consumed with the war in Ukraine, on the one hand, and states in Africa, Asia and Latin America, on the other, over what is the most pressing issues facing the multilateral system. For the former, the war in Ukraine is seen as existential, not only for Ukraine itself but for the principle of a rules-based order. For the latter, the war in Ukraine is not necessarily qualitatively different from wars in their respective regions. They are also facing a range

<sup>13</sup> https://unwatch.org/russia-gave-50000-un-expert-wrote-report-calling-russia-victim/

<sup>14</sup> Peyrouse, S. (2022). China's Impact on Democracy and Human Rights in Central Asia. Security and Human Rights, 1(aop), 1-16.

 $<sup>15\ \</sup>underline{\text{https://www.justsecurity.org/83121/richard-gowan-on-ukraine-and-how-russias-war-reverberates-at-the-united-nations/}$ 

<sup>16</sup> Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development. <a href="http://en.kremlin.ru/supplement/5770">http://en.kremlin.ru/supplement/5770</a>

<sup>17</sup> https://www.reuters.com/world/extracts-putins-speech-annexation-ceremony-2022-09-30/

of challenges for which multilateral cooperation is essential, which is now on hold because of the war in Ukraine. Nigerian President Buhari, for example, noted at the UN High Level meeting in September 2022 that the war in Ukraine hinders "our capacity to work together to resolve conflicts elsewhere, especially in Africa, the Middle-East, and Asia." There are also reports that European states are risking alienating member states from other regions by insisting on talking about the war in Ukraine in all meetings. Such a divergence of assessments of the challenges facing the multilateral system undermines the ability to find compromise and engage in collective problem solving.

This development may very well mean that the multilateral system will be further undermined, that new efforts at multilateral rule making will be blocked, and that multilateralism will be used more and more as a tool to be exploited rather than a framework for international cooperation. This does not mean that there will not be multilateral governance, in the form of loans from the IMF, development finance available from the World Bank, and operational work by UN agencies on a range of issues. But it does mean that we will see more club governance, increased reliance on private actors and funding, and more fragmentation with great powers advancing competing agendas through these organizations. This is happening at a time when the need for stability in international rules, and beefed up governance capacity to prevent and manage global challenges is greater than ever.

This is bad news for Norway, as multilateralism - both as a system of organizations involved in global governance, and as a system of rules - has not only provided international stability and safeguarding of core security interests, but also an infrastructure for exchanging Norwegian economic resources into political influence. Given the magnitude of challenges, and the intensifying problems of the multilateral system in the current context, new thinking is required for how to mobilize resources and establish new governance solutions.

For starters, it means recognizing that a rules based order is much less dependent on multilateral organizations than they are on powerful states backtopping them. It also means recognizing that multilateralism is not necessarily the solution to all governance problems, as tend to be the dictum in Norwegian foreign policy. It is necessary to differentiate between promotion and safeguarding of multilateral rules – which may also require non-multilateral action - and support to multilateral institutions and their operational work. Funding the latter does not necessarily mean advance on the former, as that depends more than before on the agendas and investment of more powerful states. It also means assessing and identifying which organizations to support, for what purpose, and also – over time – finding ways to cooperate with other states within and outside multilaterals in an effort to de-conflict relations and establish governance solutions for shared challenges.

<sup>18 &</sup>lt;a href="https://www.reuters.com/world/west-scrambles-broach-north-south-divide-aggravated-by-ukraine-war-2022-09-23/">https://www.reuters.com/world/west-scrambles-broach-north-south-divide-aggravated-by-ukraine-war-2022-09-23/</a>

<sup>19</sup> https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/maintaining-coalition-support-ukraine-un

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