Towards a post-hegemonic world: The multipolar threat to the multilateral order

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Abstract Multipolarity, understood as a global redistribution of power among an increasing number of actors, will not necessarily lead to a strengthening of a multilateral, cooperative order. In fact, the opposite is now occurring. If anything, multipolarity is pla-cing multilateralism on an ever more precarious footing. Thus while emerging powers will increasingly contest Western hegemony, they will not want – nor be able – to replace it. This would constitute transition without hegemony – the very definition of multipolarity. International Politics (2014) 51, 350–365. doi:10.1057/ip.2014.13;
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Introduction

Fifty years ago the American sociologist Olson (1978) wrote in a work that has since become a classic that 'unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests'. In other words, according to Olson, the existence of common interests among individuals in no way guarantees cooperation between them. Indeed, if the number is large, some actors will be tempted to take advantage of the benefits of public goods without shouldering any of the expenses necessary to maintain them.[1] This is the famous *free rider* argument.

The application of this analysis to the international system is both relevant and current. Indeed, multipolarity, understood as a global redistribution process among an increasing number of actors, does not imply the linear development of cooperative arrangements underlying the concept of multilateralism. In fact, the opposite is occurring. If anything, multipolarity is placing multilateralism on a more precarious footing. Olson (1978) was of course careful to specify that cooperative arrangements could eschew free riders through coercion or selective incentives. However, these are the very tools that are becoming increasingly less effective. In a multipolar world tending towards the equalization of power, the use of coercion becomes tricky. Thus it would be inconceivable in the twenty-first century to imagine Great Britain waging an opium war against China, or the United States re-enacting a Commodore Perry expedition to demand greater openness from the Chinese when it came to the governance of state-owned enterprises. At the same time, selective incentives are dwindling, either because 'falling' Western powers do not have many such incentives left in their armoury, or because they refuse to grant any to those emerging countries that they consider to be economic or even strategic rivals. As a result multilateral regulatory mechanisms are eroding. Hence, with regard to trade, WTO negotiations have effectively stalled; and on climate the Kyoto Protocol seems almost to have unravelled completely. Global governance, in short, is caught in an in-between state characteristic of hegemonic transitions. The 'declining' powers are no longer strong enough to impose their preferences; meanwhile, even though the rising new powers feel confident enough to reject Western requests that they cease to be free riders, they are neither strong enough nor united enough to propose anything like a new fare system.

This situation can be interpreted in a number of different ways. According to one view – based on the theory of hegemonic transition – those who are willing cannot, and those who can, are not willing, as was the case with the United States in the interwar period.[2] Alternately, according to a more novel and complex interpretation, emerging powers will increasingly contest Western hegemony without wanting to substitute it. This would be a transition without hegemony – the very definition of multipolarity. The outcome would be an historic in-between order marked, in all probability, by an unprecedented reassertion of what I term 'sovereignist' impulses. However, there is also a third possibility: the decline of one hegemony – that of the West – and with it the reassertion of various national interests 'without consideration for the systemic problems that precisely need global solutions' (Arrighi *et al*, 2003).[3] Granted, this general argument has subtleties that we will return to; and Olson's theory does not explain everything. However, the central idea here is that multipolarity does not automatically give way to multilateralism. On the contrary, multilateral institutions will be less and less able to meet their objectives because states within the international system will disagree on the process for pursuing the common good and the attendant sharing of responsibility. Indeed, this is already beginning to happen as the great impasse over trade and climate negotiations now shows. Furthermore, this impasse poses an especially big problem for the European Union (EU) – an organization whose political DNA so-to-speak has historically been based on multilateralism. The EU, to be blunt, faces the very real risk of being caught between a rock and a hard place: that is, between the United States and China, the world's two leading trade powers and two greatest polluters (Bremmer and Huntsman, 2013).

A Golden Age of Multilateralism?

In its highest form, multilateralism refers to 'coordinating relations among three or more states in accordance to certain principles […] without regard to the particularistic interests of the parties or the strategic exigencies that may exist in any specific occurrence' (Ruggie, 1992). It implies an ability to sacrifice short-term interests for longer-term interests in the name of a number of shared principles and values (Caporaso, 1993). The 1945–1973 period can be considered a 'golden age' for the multilateral system during which we saw the birth of the United Nations system for security, the Bretton Woods institutions for finance and development and finally the General Agreement on Tariffs and Trade (GATT) for international trade.[4] However, what is most striking is that this universalist system was *de facto* based on the overwhelmingly dominant position of the West in general and of the United States in particular. Thus even though the United Nations assumed and guaranteed the sovereign equality of states, it nonetheless accepted the privileged position of the great powers in the Security Council, where four of the five permanent members were initially either Western or completely tied to the West. Western hegemony over the Bretton Woods institutions was equally clear. The Bretton Woods institutions, and particularly the IMF, were therefore first and foremost instruments wielded by the United States in its bid to permanently supplant Great Britain. Admittedly, the situation with GATT was formally different insofar as the organization was predicated on strict equality among sovereign states. Nevertheless, this equality was only relative given the fact that the trade rule makers were essentially the United States and Europe. Indeed, when the GATT was founded in 1947, it only included 23 States, of which 13 were considered developed.

All this in turn raises an interesting question: namely, how did a system that was clearly asymmetrical and skewed towards the West, nonetheless remain in being without undergoing any noticeable change for close to 30 years?

There are many answers to this question. However, the most convincing perhaps is that this asymmetric system was counterbalanced by what might be termed 'economic and symbolic redistribution mechanisms'. These in Olson's terms would correspond to 'selective incentives'. Thus even though the five powers in the Security Council had veto rights, their various allies were still able to conduct more independent regional policies. In the GATT meanwhile, developing countries were for a very long time protected from trade liberalization, which in turn sheltered them from an open system (Low and Santana, 2009). Indeed, beginning in 1979, they also started to benefit from the principle of special and differential treatment (SDT) and did not have to abide by the reciprocity rule, which had been the bedrock of the multilateral trade system since its creation (Mah, 2011). Thus free riding was 'legalized'. This benevolence on the part of the great powers was not disinterested of course. The multilateral system worked to their advantage. Moreover, until the mid-1970s developing countries remained under-developed. Indeed, even as late as the end of the 1970s, the GNP of OECD countries still accounted for 80 per cent of global GDP.

Trade and the Decline of Multilateralism

It is only in the mid-1980s that developments that had their roots in the 1970s began to alter this picture leading to a redefinition of international trade rules and trade relations (Narlikar, 2010). This redefinition came about during the Uruguay Round, which marked the height of the GATT and paved the way for the creation of the WTO. The Uruguay Round negotiations, which began in 1986 and ended in 1993, were a crucial transitional moment. For Western countries, the challenge was to expand trade liberalization to sectors where they had comparative advantages such as in services; they also wanted trade negotiations to cover non-tariff issues such as intellectual property increasingly threatened at the time by 'piracy' arising from within the new Asian 'tigers'. They therefore sought to pursue a 'broad negotiating agenda'. The developing countries, however, wanted to include agriculture in the negotiations, for the fairly obvious reason that even though this was an area in which they had an advantage, they could not exploit this because agriculture remained a highly protected sector in developed countries. The result of these different cross-cutting pressures was to lead to something of a rebalancing act that yielded several new features – the most important perhaps being the *single undertaking* rule that stipulated that no final agreement could be signed until all parties were agreed on everything beforehand. Developed countries however wanted to ensure that any concessions they might make on agriculture would be compensated through the opening of goods and services markets in developing countries (Hudec, 2010). This was the beginning of the free rider screening process by developed countries within the trade system. It came on top of the requirement that new members adopt the GATT *acquis* in its entirety, and not just the parts that suited them. Realizing they were no longer in sole command, developed countries hoped these changes would raise the bar and start limiting the influx of free riders. Developing countries, however, remained on the defensive. They feared the effects of opening their goods and services markets. However, although India and Brazil had already mounted opposition to the Quad group of Western countries at the end of the 1980s, they were not yet capable of providing political leadership to developing countries for lack of both experience and power (Narlikar, 2005).

These changes also happened to coincide with two other events. One was the end of the Cold War and the collapse of the 'other' economic order. This generated profound changes in the global trading system. Nor could it do otherwise. Indeed, the West viewed the collapse of the socialist planning as legitimizing its own idea that the benefits of integrating into the open market were greater than pursuing any form of economic self-sufficiency. The other development was the extension of multilateral negotiations to environmental issues (Collier, 2006). The signing of the 1987 Montreal Protocol heralded the transformation of climate change into a global issue. The following year saw the creation of the IPCC (Intergovernmental Panel on Climate Change), which in turn played a key role in setting the agenda for the Rio conference in 1991, followed by the 1992 Rio Summit, and finally by the signing of the Kyoto Protocol in 1997. Multilateralism seemed to be sweeping everything before it.

Westphalian Multilateralism

This apparently irresistible trend was not to last. The multilateral order began to wilt with consequences that were not only evident in the areas such as trade and climate, but also in other sectors too, including those that were the most difficult for states to monitor, such as the internet (Klimburg, 2013). As a result we began to witness the emergence of what might best be described as a form of 'Westphalian multilateralism', a system in which 'states asserted their national sovereignty by saying no (…) even if it was sometimes masked by agreement in general terms' (Wade, 2011).

But what caused this shift? Three factors basically: the structure of negotiations that were becoming more complex under conditions of economic multipolarity; a fundamental reassessment by Western countries of what they actually stood to gain from the multilateral system; and lastly the increasing ability – and willingness – by developing countries' to block a system which they believed had hitherto been heavily skewed in favour of the West, and these same countries' interpretation of the world exclusively in terms of sovereignty (Croome, 2009; Laïdi, 2012a, b). Let us deal with each in turn.

A. An increasingly complex multilateral architecture

Multilateral trade and climate negotiations share many similarities. Both operate on the principles of universal representation (everyone has a say), consensus (no veto rights), single undertaking (all must agree to the whole package, and not just certain parts of it) and the differentiation of obligations according to the level of development.[5] Both offer a Christmas tree of sorts, ranging from the general to the specific, the key element here being commitments from all parties to agree to certain defined objectives. Although *a priori* attractive, this general model assumes a strong commitment from all to achieve a result at all costs. However, given the fragility of initial compromises made to launch negotiations – not to mention the dramatic change in power relations among states over time – all the benefits of an inclusive negotiation model were soon to become structural obstacles to success; and universal representation, buoyed by the growing political clout of developing countries, has resulted in fragmented negotiations. This is hardly surprising given that multilateral trade negotiations include around 20 negotiating chapters; these in turn are further subdivided into extremely technical sub-topics. As a result negotiations cover around a 100 subjects involving close to a 150 actors, including some very powerful actors such as the United States, Brazil, India and China, as well as some regional clusters. (Ismail, 2009).[6] Taken together, all this has meant that multilateral trade negotiations have been stalled since 2008 – although agricultural issues (that were initially at the heart of the dispute between developed and emerging countries) have become much less significant as prices for agricultural products have risen, thereby limiting the importance of subsidies, and as developing countries have realized that Western agricultural markets offer much more limited opportunities than the markets of the other major emerging countries. However, this has not done away with the problem. Rather it has shifted it to non-agricultural market access – an area where Western and emerging countries continue to differ on the necessary trade-offs.

In climate negotiations, the apparent challenge was much more clearly defined at first: to reduce greenhouse gas emissions globally on the basis of scientific recommendations generally accepted by the international community. Nevertheless, negotiations floundered, in part because of the phenomenal number of diverse actors involved, not to mention the very different priorities of developing and developed countries. Developed countries insisted on commitments on emissions, whereas developing countries started pressing for financial compensation from 2002 onwards. The issue of development became central to climate negotiations as parties sought to move towards a post-Kyoto agreement (Rajamani, 2012). Moreover, even though the developing countries did not reject trade liberalization as such, they linked this to a guarantee of development. However, this more fundamental division was not the only one. There were other divergences between a regional bloc such as the EU (deemed to be favourable to a framework agreement on climate) and the 'umbrella group' of more 'reluctant' countries, including the United States and Australia. Major emerging powers also tended to view the problem differently to oil-producing countries, who in turn did not necessarily share the same approach as island states, landlocked mountainous countries and the least developed countries (Roberts, 2011). Granted, this plurality of interests had existed in the past. However, beyond the fact that it was a lot smaller, it was long kept in check by the ability of Western countries to divide developing countries and the equally great difficulty of countries such as India or Brazil to create stable but heterogeneous coalitions (Narlikar, 2005).

In the area of trade things were no easier. Indeed, the West's ability to impose itself in multilateral trade negotiations came to a screeching halt in 2003 during the ministerial conference in Cancun when India and Brazil (with the quiet support of China) blocked efforts by United States and Europe to force progress in the negotiations launched in Doha 2 years earlier (Narlikar and Tussie, 2004). The Brazilians, who were behind this manoeuvre, also had a specific political objective: to show West in general and the United States in particular, that the world was no longer under their control as it still seemed to be before the US-led invasion of Iraq. They seized on Western proposals to reduce agricultural subsidies, deemed too weak, to block negotiations before they even started; and ever since, trade negotiations have been deadlocked, even as the sources of disagreement have changed. Thirteen years after it was launched, Doha's Development Round has still not come to an end for lack of agreement among three key players: the United States, China and India (Ismail, 2009). The very idea of a new round of multilateral negotiations has few if any supporters today. In addition, the single undertaking rule, which developed countries initially created as a means to keep out free riders, ultimately backfired against the West. Knowing that under this principle no negotiations could be concluded without them, emerging countries decided to simply block activity, without necessarily making a counterproposal, even if this involved using the poorest countries as cover.

As their weight has allowed them to acquire veto power in trade and climate negotiations (Hurrell and Sengupta, 2012), emerging powers have contributed to the formation of a bipolar system with the West, to the detriment of the least developed countries. The latter are torn between their grievances with emerging countries and their fears that if they openly break with the emerging powers they risk becoming pawns of the West.[7] This explains why the expansion of the concept of developing countries has done little to close the deep political rift between developed and developing countries.[8] Furthermore, the principle of common but differentiated responsibility between developed and developing countries has been interpreted in increasingly different ways between the two parties. According to the excellent expression of Pascal Lamy, developed countries see the emerging powers as 'rich countries with many poor people', whereas the latter see themselves as 'poor countries with some rich people'.[9] This divergence is key, because beyond differences in interests, lies an even more crucial problem of representation. For the West, multilateral negotiations are only of interest if they facilitate access to the markets of emerging powers. Meanwhile, the latter's priority is to make tangible gains in terms of development (Harbinson, 2012). Indeed, the most important country among them, China, has bristled at the high cost of WTO membership in terms of tariff dismantling (Mattoo and Subramanian, 2012).

B. A reassessment of the West's gains from multilateralism

If multilateralism has been seriously damaged by the rise of new actors and profound divisions between states situated at different levels of economic development, it has been further weakened by massive economic shifts in the world. In 1992, when the Earth Summit was launched in an effort to revitalize multilateralism after the Cold War, OECD countries accounted for 64 per cent of global wealth. Today, rich and developing countries account for about 50 per cent each. In less than 10 years therefore the balance of economic power has altered enormously. This development in turn represents the end of one historical cycle that began in 1750 with the industrial revolution in the West and the beginning of another in which Asia will regain the position it had over 250 years ago. In the very near future, China's GNP will have nominally outpaced that of the United States; and by 2030, the GNP of the United

States and Europe together will only represent 26 per cent of global GNP as opposed to the 51 per cent it controlled in 2010 (World Bank, 2011). The magnitude of this ‘power shift’ has also been amplified by its unusually rapid progression. Thus when Obama took office in 2009, Chinese GNP was equivalent to 58 per cent of US GNP; by the end of his first term the share had grown to 80 per cent.[10] How could one imagine such a tectonic shift occurring, and leaving the rules of multilateralism, created 20–30 years ago, intact?

However, the implications of this shift are even deeper than these figures imply. For as the West has seen its relative share of global trade decrease, it has become more dependent on emerging markets to ensure its own prosperity. Granted, the latter still needs developed markets to support their growth and to access Western technologies. However, emerging economies also know that developed countries need them more than ever since at least 70 per cent of global purchasing power and 90 per cent of the global population are now located outside of the West.[11] Western economies are also burdened by large public deficits that dampen consumption and investment. Exports to emerging markets have therefore become a crucial source of growth, as Germany’s example shows.[12] Even the American economy, long protected by the strength of its domestic market, has become crucially reliant on foreign markets. This is evidenced by the considerable increase in international trade as a share of US GNP, from 13 per cent in 1970 to 30 per cent in 2006 (Ahearn, 2012). Europe faces the same challenges. For a long time, it was protected by the exceptional intensity of intra-European trade relations. However, the slowdown in growth and the maturity of its markets have lessened the importance of this factor. Exports are now the main driver of growth, and have helped to mitigate the effects of the recession (European Commission, 2013). Europe currently accounts for only 6 per cent of global demand, versus 13 per cent for the United States and 75 per cent for emerging powers.[11] All of which is to say that the United States and Europe are essentially facing the same challenges, even though, contrary to popular belief, Europe has generally weathered the rise of emerging powers better than the United States: its share of the global market has remained stable, around 20 per cent, while that of the United States has decreased by 4 per cent. That said, Europeans and Americans face the same challenge from the emerging powers.

This is the backdrop of the proposed free trade agreement between the United States and Europe and the accompanying feeling in both that emerging countries are punching well below their weight in terms of their contributions to global public goods (Rajamani, 2000). They further believe that on the most salient issues (investment, intellectual property, access to public procurement, access to services) the classical multilateral framework simply does not allow the West to extract the concessions it should be expecting from emerging powers. The Obama administration has been most vocal in articulating this view. As it put it: ‘[We] will offer a place at the table to any nation, group, or citizen willing to shoulder a fair share of the burden. […] It will make it more difficult for others to abdicate their responsibilities'.[13] Zoellick (2010), the American president of the World Bank, reiterated the central idea that emerging powers should assume greater responsibility. The US administration increasingly equates the opening of markets with job losses.[14] Although multilateral trade negotiations are supposed to benefit all the actors involved, the breakdown of gains by country or economic sectors is of course highly variable. America's declining interest in multilateral trade negotiations can in large part be attributed to the fact that at the end of the Uruguay Round in 1994 the country's current account deficit was no more than 1 per cent of its GNP; on the eve of the 2008 crisis, the figure had already risen to 6 per cent (Agur, 2008). Yet according to the United States, a WTO agreement along the lines of the latest proposals tabled in 2011 would have led to an increase in imports twice as high as the projected increase in exports. Even more worrisome for the United States was that such an agreement would benefit China more than other developing countries (Schott, 2011). This brings us back to our starting point: the United States' deep dissatisfaction with a SDT mechanism that provides cover for emerging powers to not open their markets for goods and services (Schwab, 2011). More generally, the Western sees a series of unresolved problems with the trade practices of most emerging economies. These have focused, among other things, on (a) government procurement in emerging economies (b) the weak rules underwriting intellectual property rights under the framework of the Agreement on Trade Related Aspects of Intellectual Property Rights and the agreement on opening services markets;[15] (c) restrictions on investments in emerging countries; and (d) subsidies to state-owned enterprises in emerging countries that are considered to be the source of unfair competition with Western companies, which receive little or no subsidies.[16]

Europe strongly shares many of these concerns. Indeed, on nearly all these issues its interests are very close to those of the United States. However, unlike the United States, Europe would never have dreamed of blocking the final stage of negotiations at the WTO in 2008. Europe supported the compromise proposed by Pascal Lamy and railed against American intransigence. Europe continued to sing the praises of multilateralism, even as its actions were deviating from it (Van Rompuy, 2012). It should be noted, however, that contrary to prevailing opinion, Europe's trade position has suffered relatively less from the rise of emerging powers than that of the United States and Japan. Its share of global exports has remained remarkably stable since the mid-1990s, hovering around 20 per cent. Meanwhile, the United States share fell 4.4 per cent to 13 per cent, versus 14 per cent for China (European Commission, 2008). For their part, emerging countries put forward a hodgepodge of arguments: of how little developed countries were offering in return for market access or in terms of financial compensation for climate change measures; that developed countries were maintaining high levels of protection in certain sensitive sectors; and that; the West was refusing to take into account its historical responsibility when assessing the costs associated with climate change.

C. Economic 'sovereignism'

A third reason why multilateralism has suffered a serious setback has been a renewed willingness by governments to either protect key sectors in their own economy or refuse to open their economies to what they see as unfair competition. Significantly, this trend of economic 'sovereignism' has been on the rise in both developed and emerging countries. The turning point in this development was perhaps the 2009 Copenhagen climate summit. The United States, like many other developed countries, made its commitments conditional on the emerging countries taking a decisive position of their own. Meanwhile China was mobilizing the emerging countries and encouraging them to refuse to commit to targets or to accept monitoring on their territory (Lloyd, 2012). However – and this is where sovereignist narrative most strikingly manifested itself – the United States joined emerging countries (in opposition to Europe) in opposing the notion that each state had a shared and common interest in reaching a multilateral agreement. Politically this represented a radical shift. Thus while the United States and China may have been divided over their respective responsibilities in terms of climate change, they both agreed that no multilateral negotiation would be concluded without them. They also agreed that it would be unacceptable for them to subordinate their interests as sovereign states to multilateral constraints defined in an international forum. (Viola *et al*, 2012). In other words, the United States and China were imposing an inverted model for negotiations – moving from a *top down* process that set a framework under which states would be responsible for fulfilling their obligations, to a *bottom-up* process where the premise was that each state was only responsible for that which it was willing to contribute (Falkner *et al*, 2010). This was a fundamental reversal of perspective, and its first consequence was to significantly reduce the ambition of climate negotiations (Lloyd, 2012).

Since then other developments have only confirmed the retreat from multilateralism. Rio +20 in 2012, for example, was supposed to 'take stock' 20 years after the famous Earth Summit of 1992. However, not only did Rio +20 not yield any agreement, the event highlighted other obvious divisions, most obviously about how one was supposed to build 'green economies'. Basically, developing countries (adhering to the principle of shared but differentiated responsibility) argued this could only be achieved if there is a significant transfer of technologies from the developed countries to the developing. However, the consequence of this was that the United States soon lost interest in coming to any agreement. Europe meanwhile sought to reach some common agreement (Horner, 2012). As for China, although it did not challenge the concept of a green economy completely, it did make it clear that it would try to reach this goal on its own within the framework of a 5-year plan and not as a result of an international agreement.

At the same time, the United States and China seemed to be making their own side deal. Indeed, when in June 2013 the new Chinese President and President Obama met in California, the two together agreed bilaterally to open the way to gradually but definitively ending the production and consumption of hydrofluorocarbons (HFC). If this agreement were extended to the rest of the international community, it would of course have led to a reduction equivalent to 2 years of greenhouse gas emissions (White House Statement, 2013). Even so, this was still a bilateral agreement reached between the two great powers; in effect representing the demise of multilateralism as it had initially been conceived many decades back. From this perspective it is interesting to note that the two leading powers chose to integrate this agreement into the framework of the Montreal Protocol on the ozone layer even though HFCs contribute to greenhouse gas emissions rather than to the destruction of the ozone layer. It is reasonable to assume that the Americans and the Chinese preferred to tack this agreement onto an already-signed and uncontroversial Protocol rather than onto the Kyoto Protocol, which would have been a more logical fit.

Conclusion – Europe: Between Multilateralism and Multipolarity

As we have tried to show the retreat from multilateralism has been no accident. It stems from long-term shifts in the balance of power in the world economy, a lack of consensus on a set of increasingly complex global issues and the increasingly important role played in the international system by a diverse group of emerging economies who may disagree on many things but together share a belief in the importance of economic sovereignty. Taken together, this development has to be seen as being structurally detrimental to a Europe which has always seen normative regulation and international institutions as being crucial (Laïdi, 2008). Multilateralism is in many ways in Europe's political DNA. Indeed, in the aftermath of the Cold War, Europe believed that multilateralism's time had come (Elsig *et al*, 2011); and this certainly looked to be the case. In fact, between 1990 and 2005 over 76 multilateral treaties were signed, many of great significance including the 1992 Chemical Weapons Convention, the creation of the WTO in 1994, the 1996 CTBT, the 1997 Kyoto Protocol and the 2000 Cartagena Protocol (Elsig *et al*, 2011). It is no coincidence that for close to a decade the EU was able to show real international leadership on many subjects, provided they were not security-related (Paterson, 2009). In 1999, Angela Merkel even stated that to address climate change, states needed to delegate their power to an international organization, regardless of the cost – an unthinkable proposition for any non-European leader to make.[17] Indeed, at the same time as she was extolling the virtues of multilateralism, the United States was retreating from it (Falkner, 2013).

However, it was not just the United States turn away from multilateralism that was a problem. The fact of the matter was that as one century gave way to another, Europe's weight within the world was beginning to decline. One simple way of measuring this was by looking at greenhouse gas emissions. When the terms of global negotiations on climate were set at the 1992 Rio Summit, Europe accounted for 23 per cent of greenhouse gas emissions with Europe and the United States together accounting for 50 per cent. Twenty years on, there were still two great powers in the climate area. However, they were no longer the same ones, with the United States now accounting for 17 per cent of global emissions and China for 30 per cent. Moreover, if India (5.4 per cent) and Brazil (1.3 per cent) were to be included, it would mean that the four great 'sovereignist' powers were now dominant in terms of shaping climate change with Europe now only playing a relatively minor role as an emitter (12 per cent in total).[18] This would also explain Europe's marginalization in Copenhagen, where the United States and emerging countries finalized a minimal agreement without Europe (Roberts, 2011). The Kyoto Protocol (still championed in Europe) is now utterly obsolete since it only covers less than one third of greenhouse gas emissions (Bodansky and Diringer, 2010). This reality is compounded by Europe's political and strategic inability to really enter the negotiation process since it is difficult to see how Europe could make its commitments conditional on those of the others.[19]

In the field of trade, Europe does of course remain in a strong position. It is after all the world's leading trading power with a market share that has remained surprisingly stable over the past decade (European Commission, 2012). Furthermore, Europe does have a single trade negotiator with significant leeway over member states once a negotiating mandate is secured. Under Pascal Lamy, then Trade Commissioner (2000–2004), the Commission opted for multilateralism, to the point where it froze all bilateral trade negotiations in order to give the WTO's Doha Round a full chance. However, following his departure, the Commission in 2006 started to shift and began to explore the possibility of new bilateral agreements with the emerging countries (Evenett, 2007). The European commitment to opening its own market was further eroded as unemployment grew; indeed, even before the euro crisis, the EU had to demonstrate that its trade policy would not adversely impact on European levels of employment (European Commission, 2010). Here the American and European positions coincided. In fact, the desire by both to enter into bilateral negotiations to reach a free trade agreement not only showed how much the two had in common economically but how frustrated they had become with multilateralism. Moreover, by creating a stronger free trade area of their own they would be better placed to deal with China by building a high-standard regulatory space between the United States and Europe to force China to either comply or remain on the sidelines and risk exclusion.[20] At the same time, the United States has also become actively engaged in negotiating an agreement with its 14 Transpacific Partnership members, again to the exclusion of China. The idea here, clearly, is to use *bilateralism* to obtain what multilateralism no longer can: rules that may then become global standards.[21]

To return to the main issue under discussion here: namely, the implications of multipolarity for the multilateral system. It would be premature to write an epitaph for multilateralism just yet: multilateralism is not necessarily doomed. But as this short essay has shown, bilateralism rather than multilateralism is increasingly becoming the norm. However, the results thus far have been far from impressive; and there is no guarantee things will turn out to be much better over the coming years. For example, the EU entered into bilateral negotiations for a free trade agreement with Canada in 2009; but has not yet been able to reach an agreement, even though Canada is only the EU's 17th trading partner and has very high social and environmental standards. The free trade agreement with India is even more problematic and has still not been concluded 6 years after the start of negotiations.[22] Moreover, we await the outcome of the ongoing negotiations between the United States and the EU. Multilateralism may be in retreat in an age of multipolarity. However, there is no guarantee that alternative approaches to global issues such as trade and climate change will provide a satisfactory solution either. The post-hegemonic future looks anything but certain.

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Notes

1 In 2011, the United Nations had 185 members versus 45 when it was created. In 2013, the WTO had 159 members versus 23 when the GATT was created in 1948.
2 For more on the application of Olson's theories to international relations, see Kindelberger (1981) and Manfield (1993).
3 This line of reasoning can also be extended to emerging powers.
4 The Bretton Woods institutions are technically part of the United Nations system. However, in reality their operations are largely independent of the UN system.
5 The WTO refers to 'special and differential treatment', and the UNFCC, to 'common but differentiated responsibilities'.
6 For example, he shows how in 2008 a final agreement ultimately failed basically because neither the United States nor China wanted it, even though technically the obstacles could be overcome.
7 'While they develop, we die; and why should we accept this?' asked one delegate from a threatened island, addressing India, which was accused of blocking an agreement at Durban (BBC News, 11 December 2011).
8 This point is further developed in Pauwelyn's (2013) excellent article.
9 Interview in *Le Temps* newspaper, 13 April 2013.
10 In 1990, the Chinese GNP only represented 10 per cent of the Americain GNP.
11 *Financial Times*, 5 June 2013.
12 The Eurozone now accounts for only 37 per cent of German exports versus 46 per cent in 2000, *The Economist*, 15 June 2013.

13 Hillary Clinton, Foreign Policy Address at the Council of Foreign Relations, 15 July 2009, cited in Laïdi (2012a, b).
14 See 'Remarks of the President in the State of Union Address', 24 January 2012, White House. And for a critique of this view, see Bhagwati (2011).
15 For example, the WTO–GATS agreement on the services market were 'in practice loosely enforced', Goudron and Jean (2013).
16 Of the world's 200 largest state-owned enterprises, 20 are Chinese, 30 are Indian and 9 are Russian.
17 *The Economist*, 14 November 2009. However, it is important to understand that this type of statement does not reflect an abstract preference. Europe faces the lowest cost of adjustment to climate change in the world.
18 Global Greenhouse Gas Emissions Data, United States Environmental Protection Agency, www.epa.gov/climatechange/ghgemissions/global.html#four.
19 At the Copenhagen conference in 2009, the EU made the 30 per cent reduction in its greenhouse gas emissions compared with 1990 conditional on its partners' making an adequate effort. However, the initial European commitment (20 per cent) was already very high and much higher than any other country's commitment.
20 'We will have established a huge number of goods and products being produced according to a set of standards. And others who want to get into that are going to have to raise their game', *The New York Times*, 12 June 2013.
21 'What we're talking about is shaping a new standard that then becomes the metric by which all future trade agreements are measured' as explicitly stated by US Vice President Biden, Reuters, 5 April 2013 www.reuters.com/article/2013/04/05/us-usa-trade-biden-idUSBRE9340TD20130405
22 *Le Figaro*, 13 June 2013.

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