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# Order and Disorder in Today's Global Order

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*In June 2015 the Council on Foreign Relations' (CFR) International Institutions and Global Governance program, the Stanley Foundation, the University of Toronto's Munk School of Global Affairs, and Princeton University hosted the fifth Princeton workshop on global governance. This workshop was additionally supported by the Robina Foundation. The discussion was held on a not-for-attribution basis. The views described here are those of workshop participants only and are not the positions of any of the workshop sponsors. **The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government.***

## INTRODUCTION

The fifth Princeton workshop on global governance convened scholars and former policymakers to critically examine the state of global governance and consider how to overcome its challenges. The theme for this year’s workshop was “Order and Disorder in Today’s Global Order.” Panels included the following topics:

- Has geopolitics ended global governance?
- The world of order and disorder—global economic governance
- Is liberal internationalism doomed? The counter-hegemonic internationalism
- Geopolitics in Asia
- Can Paris bring the world together? COP21—do we need it?
- Order and disorder—the rise of transnational threats

In addition, the workshop held a special breakfast session where experts reviewed the state of climate change governance.

### WORKSHOP TAKEAWAYS

- Geopolitics has not doomed global governance.
- There is currently no viable alternative to the liberal international world order.
- The United States is both a provider and disruptor of order.
- The fragmentation of global governance can both strengthen and weaken existing institutions. Even when this process weakens existing institutions, the result may ultimately better address the challenge.

## GEOPOLITICS AND GLOBAL GOVERNANCE

The resurgence of geopolitics—from Russia’s invasion of Crimea to China’s growing assertiveness in East Asia—suggests that global governance and its underlying requirement for collective action may have been sidelined by geopolitical tensions. However, several participants agreed that geopolitics and global governance have long been compatible. During the Cold War, the blocs managed to agree on some norms and rules of the road; for example, the Treaty on the Nonproliferation of Nuclear Weapons was a bargain between the United States and Soviet Union as well as between nuclear-weapon states and nonnuclear-weapon states. Participants cautioned against excessive alarmism and fear of increasing geopolitics, but also against romanticizing the post–Cold War period, during which global governance was often more aspirational than actually achieved. Looking at long-term trends, several participants noted the secular decline in interstate conflict and questioned what implications this might have for geopolitics and global governance.

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Many participants perceived Russian aggression in Ukraine as a limited regional bid to secure Russia’s immediate neighborhood, and thus unlikely to upend global order. A range of views was expressed on the extent of Russia’s success, with one participant characterizing Russia as “a bully wandering around

in its own backyard.” Other countries, including China, view Russia’s experience in Crimea as something to avoid rather than a model to emulate. Thus, although its aggression is alarming, Russia is no longer the global power it was during the Cold War, and global governance will continue in many areas regardless of whether Russia participates.

Participants largely agreed that China’s recent activities in East Asia do not spell a return to Cold War geopolitics. Contrasting China’s actions in the South China Sea with Russia’s invasion of Crimea, some participants suggested that China is undertaking a longer-term strategic effort for absolute gains. Although China is certainly competing with the United States for at least regional East Asian dominance, this competition is shaped by a need for legitimacy. China seeks over the long term to delegitimize the United States as the most reliable and important partner for other countries in Asia. To do so, according to some participants, China is attempting to create a fait accompli in East Asia: as the United States fails to deliver security and economic outcomes for its allies and others, China will become their default partner. China’s activities in the South China Sea, for example, have heightened demand for increased U.S. presence in the region, raising questions of Washington’s commitment to its allies. Still, some participants saw opportunities for U.S.-China cooperation to reduce tensions and strengthen the existing world order, including through both bilateral initiatives such as the annual Security and Economic Dialogue, leaders summits, and military exchanges, as well as multilateral frameworks including the Asia-Pacific Economic Cooperation forum, the East Asia Summit, and the Group of 20 (G20). More transparency, especially regarding the military, would also demonstrate that China does not intend to threaten the United States.

Some participants suggested that concerns that geopolitics would constrain global governance rely on questionable, straightline projections of recent trajectories rather than on the current (and likely future) global distribution of capabilities. Europe, according to one participant, remains formidable; collectively, it is the second-largest military power, the United States’ largest trading partner, and a soft-power leader. One participant urged consideration of the consequences of a destabilized China, an American resurgence, and other possible reversals of recent trends.

#### *THREATS TO THE LIBERAL INTERNATIONAL WORLD ORDER*

Despite widespread concerns that China threatens the liberal international world order, participants widely agreed that China neither intends to, nor is capable of, providing a coherent alternative to the liberal order. Several called China “the most overestimated global power,” noting that its current ability to project power globally is limited. Many also suggested that liberal internationalism cannot be captured solely through the lens of U.S. liberal internationalism. This wider frame enables large emerging states to participate in today’s global order.

Several participants viewed China as a reformist power, not a revisionist one. Although the creation of the Chinese-led Asian Infrastructure and Investment Bank (AIIB) has sparked concern in some quarters that China seeks to replace liberal institutions such as the International Monetary Fund and World Bank, it is far from clear that China truly wants to change the rules of the game. Some participants

suggested that the AIIB initiative grew from frustration over the United States' inability to adopt international financial reforms already agreed upon by the G20.

Participants also noted that the AIIB gained political salience only after the United States publicly opposed it, and that every effort by China to improve current arrangements will appear as a direct challenge, if the United States does not more successfully reform the status quo. The AIIB has recruited experts from existing financial institutions, and some participants suggested that as the Bank develops, it will look increasingly similar to earlier UN-Bretton Woods arrangements.

Beyond China, the BRICS group—Brazil, Russia, India, China, and South Africa—benefits from the existing world order (with the possible exception of Russia). When it comes to reforms to existing international institutions, the BRICS are primarily concerned with institutional control and having a seat at the table, rather than fundamentally challenging existing norms and rules. The BRICS often operate (though more rhetorically than in practice) in opposition to Western states. On most issues, however, these club members are unable to articulate a shared alternative agenda. Participants were thus largely dismissive of the BRICS as likely to be a challenge to the liberal international world order. Additionally, the future of the BRICS as a bloc is questionable; although the BRICS have increasingly employed common negotiating strategies across different issues, some participants wondered if inter-BRICS solidarity will weaken as China increasingly pursues unilateral initiatives.

One participant suggested that focusing primarily on China as a threat to the liberal international world order presupposes that the liberal world order is a static phenomenon with a single origin, one that has been supported continuously by Western countries. These assumptions are simply ahistorical. The post-World War II global order was always “normatively ambiguous” rather than “normatively pristine,” and all countries use international rules strategically to their advantage. Notably, although the United States has been

#### *Case Study: Climate Change*

Global efforts to mitigate and adapt to climate change highlight the limitations of existing international institutions and the need for alternative approaches. Still, in a shift from past pessimism, there is growing optimism that the twenty-first session of the Conference of the Parties to the UN Convention on Climate Change in Paris in December 2015 will actually make progress—even if it is not enough.

One speaker suggested that the greatest hopes of combating climate change lie not in the intergovernmental negotiation of a comprehensive, binding treaty, but through experimental “bottom-up” governance. In one model, once stakeholders reach consensus that a problem needs to be solved but not how to do so, regulators attempt different approaches to solve this problem (under penalty if they fail to experiment). Financial penalties could include lost market access or sanctions—though several participants noted that creating a credible penalty is the most difficult aspect of this approach.

Others noted that punishment is not the only potential motivator and suggested that approaches with co-benefits in other areas could be effective motivators to combat climate change. The C40 initiative, for example, has improved public transportation in many participating cities through its efforts to reduce carbon emissions.

Another speaker focused on the challenge of systemic carbon reliance due to social, technical, and political factors, and suggested that understanding this phenomenon as a fractal problem (i.e., national problems resemble and are connected to city problems and vice versa) rather than a global-commons problem could break this lock-in. Disrupting carbon dependence at any level—local, national, or in specific sectors—can reverberate through the entire system.

a bulwark of the liberal order since the end of World War II, it has at times undermined or challenged it. The financial crisis (which began in the United States), the U.S.-led invasion of Iraq, and the war on terror have all significantly disrupted the liberal order. Some participants also suggested that the U.S. withdrawal from the antiballistic missile treaty and the expansion of NATO unraveled the post-Cold War settlement, which had been based on bringing Russia into the liberal fold.

#### WHY IS GLOBAL GOVERNANCE INCREASINGLY DIFFICULT?

As power diffuses and large emerging powers increasingly contest their place in the global order, cooperation becomes more difficult. Many emerging powers also want to limit their vulnerability to what they perceive as the impositions of international organizations, which they believe threaten their national sovereignty. Additionally, the global financial crisis that began in 2008 significantly eroded international trust in the U.S.-led financial system. As a result, the institutions formed out of the economic crisis such as the Financial Stability Board are weak and unlikely to provide the necessary financial reforms.

At the same time, many issues cannot be addressed simply through “more leadership.” One participant cautioned that it was unrealistic to expect states, international organizations, and other actors in global governance to have an unlimited capacity to overcome global problems. In many areas of international cooperation, the low-hanging fruit have been picked and the benefits and

*The low-hanging fruit have been picked and the benefits and costs of cooperation are shared unevenly.*

costs of cooperation are shared unevenly. In global trade, the General Agreement on Tariffs and Trade and the World Trade Organization (WTO) were highly successful in removing tariffs. The trade and regulatory issues now covered in the WTO Doha Round and possibly covered under the Trans-Pacific Partnership

(TPP) and the Transatlantic Trade and Investment Partnership (TTIP)—the two mega-regional trade agreements currently under negotiation—require difficult compromises between different sectors in many countries. In global finance, some participants suggested that economic growth in the 1990s and the 2000s may have been anomalous and is unlikely to continue in the future.

One participant suggested three conditions that could improve international cooperation, while noting that each can create its own challenges. First, a hegemon or leader can compel or persuade others to cooperate, but it can also create additional problems by acting against widely accepted rules and norms. Second, ideological homogeneity can facilitate cooperation. Third, if countries place great importance on cooperating in an area of “high” politics (primarily security), they are often more willing to bear higher costs on other issues (e.g., economic issues) to reach compromises. However, achieving such grand bargains requires that the same countries must be negotiating (and must be needed) across different issue areas, which is not often the case today.

#### FRAGMENTATION OF GLOBAL GOVERNANCE: CHALLENGES AND OPPORTUNITIES

The proliferation and diversification of actors, forums, and their arrangements to address global

challenges have bolstered the notion that global governance is increasingly fragmented—presumably to the detriment of the system. However, participants largely agreed that such fragmentation does not necessarily weaken the global order. One participant suggested that institutional diversity had always been present in global governance, and that those seeking to return to “less messy” times are nostalgic for something that never existed. Others commented that fragmentation and “forum shopping” are not surprising phenomena, as the entry costs to create “workarounds” through alternative global governance venues are low.

Fragmentation does pose certain challenges for global governance, however. One of the biggest uncertainties is whether institutional diversity will actually deliver results. One participant noted that in efforts to combat climate change, for example, the problem is not a lack of governance, but too much disorganized governance and an inability of governments to learn, collectively, what works. Many participants were especially concerned by the growing number of clubs that provide common goods primarily or exclusively to their members and sideline the rest by raising their transaction costs. Some worried that as emerging powers pursue clubs of their own, rivalry among blocs will increase. Others suggested that rival clubs would compete to provide the greatest benefits to the world order—a beneficial form of competition. To prevent fragmentation from occurring, one speaker urged a shift from growth-oriented governance to a sustainable-development approach to international institutions.

Participants also emphasized the need to differentiate between fragmentation and capacity building. One participant highlighted the example of the Global Counterterrorism Forum (GCTF), a club outside the UN system that has strengthened its members’ counterterrorism capabilities while complementing UN efforts. The GCTF brings together different government agencies with responsibility for implementing counterterrorism strategies, whereas UN discussions primarily occur among foreign ministries. In addition, fragmentation can create opportunities for linkages across issue areas to more effectively address challenges. One participant claimed that the biggest breakthrough in counterterrorism has been development and education experts talking to their security counterparts.

Another participant suggested that the framework of strategic “contested multilateralism” can be used to assess the effects of fragmentation. This framework challenges three assumptions: first, that fragmentation is the fault of emerging powers alone; second, that it is intended to undermine the system; and third, that it will be bad for global cooperation. This participant pointed out, however, that the United States has fragmented existing institutions through initiatives like the Proliferation Security Initiative, and trade deals such as TPP and TTIP. The existing system is also not perfect: cooperation challenges are increasing and existing institutions have struggled to respond to emerging challenges, leading to a need for alternatives—including flexible, ad hoc arrangements. Finally, in assessing the pros and cons of fragmentation, one must ask if institutional diversity produces better outcomes than stalled cooperation through existing venues.

The global order appears far more complex than was the case at the end of the Cold War. It also appears to contain large pockets of disorder, notably in the Middle East. The geopolitical tensions are evident. But global governance initiatives remain fundamental to the global order.