

MULTIPOLARITY VS. MULTILATERALISM IN THE RISING EMERGING ECONOMIES CONTEXT

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Abstract: Nowadays there is an increasingly current spread of terms such as multipolarism, multipolarity, interpolarism, global governance, multilateralism – all trying to capture the changing nature of power in international relations and even the structure of global power. Trends that wish to summarize these concepts are directly related to deepening interdependence multiplication and sophistication. The emergence of an increasingly obvious multipolarism is flexible with different configurations depending on the criteria of defining the concept of power.

The need for an effective multilateral system, complex and at the same time flexible is undeniable. Despite many critics or skeptics, rather disillusioned under maximal expectations or beliefs of realistic inspiration, international organizations and international law remain relevant and current. Delaying efficient processes and reform with universal multilateralism led to proliferation, since 1990, of a 'new multilateralism' characterized by three types: regional multilateralism, informal multilateralism and functional multilateralism.

This 'new multilateralism' must not replace the traditional one, but to supplement and even to facilitate adaptation and reform of the latter. The temptation to return to a system based on the balance of power, multipolarity without multilateralism, it can be observed in some current developments. The rise of emerging economies is a manifestation of this trend.

Keywords: multipolarity, multilateralism, emerging economies, power, poles.

1. Introduction

The concept of polarity was developed in the literature of international relations and defined as any of the various ways in which power is distributed within the international system. Polarity, as a feature of international relations was raised by Waltz (1979) in the new version of structural realism. He argues that in order to understand the world order one should look closely towards the configuration of the international system. This configuration is characterized precisely in terms of the distribution of power between states involving large/strong states (known as "Poles"), middle powers and/or minor. What are the characteristics that make a country to be strong? For Waltz, all that matters are capabilities – material markers of international power such as economic strength of a country doubled by its size in terms of geography, military and population. There are four types of international systems: unipolar, bipolar, tripolar and multipolar (four or more centers of power). This classification takes into account only the distribution of power and influence of states in a particular region or globally.

In international relations it is widely accepted the idea that the post-Cold War international system is unipolar: the hegemony of the United States is still provided by key features such as high level of defense spending (nearly half of global military spending) or the force and economic influence in shaping the structure of the present world organizations (International Monetary Fund, G-8, the Organization for Economic Cooperation and Development, World Bank, World Trade Organization, Organization of Petroleum Exporting Countries, NATO, United Nations). However, in recent years, new poles of competitiveness with regional spheres of influence such as China, India, Japan and European Union threaten with success the hegemony of the United States.

Multilateralism has its roots in international relations and features in several countries working together to solve a certain problem/crisis. Multilateralism was defined by Miles Kahler as the "international governance of the many". International multilateralism is seen as the "opposition to discriminatory bilateral agreements that were designed to increase the strong leverage over the weak and increase international conflict" (Kahler, 1992). In 1990, Robert Keohane defined multilateralism as "the practice of coordinating national policies in groups of three or more states" (Keohane, 1990). In an article from 1992, John Ruggie proposed a concise definition of multilateralism, which states that "multilateralism refers to coordinating relations among three or more states, in accordance with certain principles" (Ruggie, 1992).

International organizations such as United Nations (UN) and World Trade Organization (WTO) are well-known examples of institutions that are based on multilateralism. The main supporters of multilateralism have traditionally been the middle powers like Canada, Australia, Switzerland, Benelux and the Scandinavian nations. Larger states often act unilaterally, while the smallest ones have little direct power in international affairs, in addition to participation in the United Nations (for instance participating in a voting bloc with other nations). Multilateralism may involve several nations acting together, such as the UN or regional alliances, military pacts or groups such as NATO. Multilateral institutions were not imposed by states but were created and widely accepted in order to enhance the ability to reach their interests by coordinating their policies.

Global multilateralism is currently disputed, especially in terms of trade by developing regional agreements such as the EU or NAFTA, but not inconsistent with global multilateral agreements. Moreover, the main promoter of multilateralism postwar economic regimes, the United States often resorted to unilateral and bilateral confrontation regarding trade and beyond, resulting consensus frustrations of multilateral forums. Although the most powerful member of the international community, the United States are the least to lose by abandoning multilateralism, while the poorest nations would have the most to lose and the overall cost would be huge for all its participants.

2. Shaping a new international power hierarchy

Upon the end the Cold War, a number of developing countries have become a challenge to the dominance position of the old powers that are slowly declining in recent years. In economic terms, the so-called countries of the "South" accumulate nowadays more than half of global GDP, are world leaders in terms of annual growth rates of over 11%

(China) and 9% (India) and at the same time consume more than half of the world's energy resources. The balance of power in the world is complex and contradictory in nature, while making economic forecasts including is obsolete. Nobody expected the fall of the Berlin Wall, decreasing the influence of Japanese economy in international arena, terrorist attacks of September 11th 2001, Islamic fundamentalism and “Arab Spring” momentum. Given the current situation as a starting point, the international system can be characterized by two general trends:

- A new international order that is both single and multi-polar;
- Economic growth in Asia (India, China, Japan), which could dominate the XXI century;

2.1. New uni- and multi-polar international order

The current constellation of forces and alliances worldwide is much less clear than it was in the two stages of the international system after the Second World War: (1) the ideological confrontation between the two superpowers (USA vs. USSR) and (2) The tripartite system dominated by Europe, USA and Japan. In this third stage scholars are talking about a new world order that is uni- and multi-polar simultaneously. There is room for both – old and new powers – and old and new alliances. The world is unipolar in the clear military dominance of the United States point of view, and multi-polar in all other spheres of international relations. Therefore, a new economic order that includes China and India is growing under a system which is not as well reflected in the international political order and continues to be dominated by the traditional powers.

2.2. The rise of Asia as an economic powerhouse in the XXI century

The three Asian countries: China, India and Japan are part of the reduced circle of great powers. Because of its size, economic growth and military budget, China is already a world power, even if it has not yet reached that status in international politics. India's position is still somewhat less clear, although had rapidly grow in international power hierarchy. Therefore, it conveys the idea that this century will belong to Asia, under the joint leadership or challenge of China and India, followed by Japan. The appointment of South Korean Ban Ki-moon as Secretary-General of the United Nations is also a growing recognition of the role that Asia plays in the world. Faced with the growing importance of the Asian continent, Europe and especially the United States of America might get diminished relevance in the international arena. It is estimated that by 2050, Europe and Japan will constitute together only 5% of the world population, compared to nearly 30% in 1950 (Hurrell, 2007).

3. The background of global multipolarity

3.1. The main coordinates of the concept of multipolarity

Multipolarity can be defined as a distribution of power in which more than two nation-states have nearly equal amounts of military, cultural and economic influence. The views on multipolarity differ. Classical theorists such as Hans Morgenthau and E. H. Carr argue that multipolar systems are more stable than bipolar systems. States can gain power through alliances and petty wars that do not directly challenge the powers which in bipolar systems, classical realists argue that it is not possible. On the other hand, neorealist theory focuses on security issues and reverses the formula: the members of a multipolar system can focus in

terms of security concerns on a large number of other powers and by wrongly interpreting the intentions of other states may compromise unnecessarily the safety of the entire system. Furthermore Singer & Deutsch (Deutsch, Singer, 1964) argue that a multi-polar system is actually more stable because the great powers have more incentives and opportunities for cooperation and are more likely to have diffused attention instead of focusing only on an antagonist pole.

One of the most powerful expressions of neorealist position towards multipolarity is Mearsheimer's article *Back to the Future* (Mearsheimer, 1990). He reiterates neorealist skepticism not only about stability in Europe more than that he argues that "the most likely scenario in Europe is a possible exit from the stage of the United States coupled with the emergence of Germany as a dominant state. Indeed, the region will probably move from the present bipolarity (United States and Russia as poles) to unbalanced multipolarity, which will lead to more intense security competition between European powers"(Mearsheimer, 2001). Mearsheimer's scenario is not far from today's reality. One of the most important implications of a multipolar international system, with any number of poles, is that international decisions will be based on strategic reasons rather than ideological or historical, to maintain a balance of power.

3.2. Multipolar international order

Disappearance of the bipolar international order was a turning point in the multilateral system as a whole, marked, on the one hand, by the logic like end of the "Cold War" and, on the other hand, by the emergence of the new poles of power. Political, economic and social developments at the end of the twentieth century have led, among others, and initiating the long and often arduous process of adaptation and reform of most international organizations, almost without exception that still continues today. If the Cold War and its effects were the proximate causes of change in international organizations, from the perspective of medium and long-term cases, these processes were inseparable from globalization. The increasing trend of globalization at the beginning of the twenty first century produces consequences from the bottom level of personal privacy to the international political and economic system.

Nowadays there is currently an increasingly spread in terms such as multipolarism, inter-polarism or global governance all trying to capture the changing nature of power relations and even the structure of global power. Trends that wish to summarize these concepts are directly related to deepening, multiplication and sophistication of interdependencies, as well as emerging of an increasingly obvious flexible multipolarism with different configurations depending on the criteria for defining power. Multiplication interdependencies and their variable overlapping together is a phenomenon, not incidentally, of more diversified process of regional integration and even (re) defining regional identity. All these factors are sources of pressure on multilateral institutions, as it characterizes their emphasized outdoor action environment.

In the short and medium term, the global environment will remain marked by the global crisis, which causes substantial challenges but also new opportunities for action and possible reconfiguration of global positions (either by states opting for closer cooperation to eliminate the effects of the crisis, either ultimately a unilateral choice of solutions). Causes

and extent of the crisis have brought into focus the challenge that globalization brings to states a diminishing of their impact on the economies and societies, against which the states must find a faster way to accommodate more efficient.

The need for an effective multilateral system, complex and at the same time flexible is undeniable. Despite many critic or skeptic voices, rather disillusioned under maximal expectations or beliefs of realistic inspiration, international organizations and international law remain relevant and current. Moreover, they must also have the potential to become the main tools that mankind has handy to understand and manage the main aspects of globalization for its benefit. Of course, international organizations need to engage effectively in the process of adjustment, reform and even organizational learning in relation to the new realities of their external environment and those resulted from their internal dynamics. The trend should be to better reflect the existing interdependencies focusing on proper solutions to new type of problems on the agenda of the organization and the global one but also taking into account the new international distribution of power.

Delaying efficient processes and reforming universal vocation of multilateralism led to proliferation, since 1990, of a "new multilateralism", characterized by three types:

- Regional multilateralism (for instance organizations and regional structures /processes, free trade regional agreements);
- Informal multilateralism (for instance G-20, G-8);
- Functional multilateralism (such as coalitions of the willing: the Alliance of Civilizations, the Community of Democracies).

This "new multilateralism" must not replace the traditional one but to supplement and even to facilitate the adaptation and reform of the latter. The temptation to return to a system based on the balance of power, that means multipolarity without multilateralism, it can be observed in some current developments. The BRICS group of states (Brazil, Russian Federation, India, China and South Africa) is one of the forms of manifestation of this trend. This represents a risk for the current world order and requires decisions and explicit measures, both state and multilateral, to encourage the alternative: the reconstruction of multilateralism of universal jurisdiction and linking it in an intelligent manner with the "new multilateralism".

4. The rise of multipolarity

In April 2010, Robert Zoellick, the World Bank President at that time, gave a speech hailed by some as the most important speech of a President of World Bank since Robert McNamara in 1973, when McNamara established poverty reduction as the new World Bank mission. The main point of Zoellick's speech was the end of the Third World, the end of distinction between the developed countries and developing ones.

Zoellick argues that the distribution of material power in the international system became more fluid in the last decade than at any time since the beginning of the Cold War, and we're finally at the end of *Truman Era* (which began in the early postwar years, when President Truman urged the West to accept the challenge of using knowledge and resources of the United States to provide development for the rest of the non-communist world). From a largely unipolar world, with the United States as a hegemon, now we can talk about a "new global economy, rapidly evolving in a multipolar way" as the share of economic and political

power flowed to the global East and global South. Zoellick goes on to show how this multipolar world economy requires changes in the governance and operations of the World Bank to make it more multilateral and less dominated by Western states (Zoellick, 2010).

Following Robert Wade (Wade, 2011) the rise of multipolarity (from the standpoint of global economy) involves a decrease in the concentration of economic activity from the core of the international system and a growth within its non-core concentrations. This trend is actually measured by several indicators:

1. The share of G7 (12% of world population) in global GDP: in 2000, G7 share was 72%, by 2011 it decreased to 53%, according to IMF (measured at market exchange rates);

2. The rise of China: the output per capita of China unlike the United States increased from about 6% to 22% between 1980 and 2008 (the proportion in 2008 was approximately similar to that of Japan in the late 1940s);

3. Monetary Policy: Ten years ago, world was paying attention to the USA and EU's monetary policy and no care was given to China's monetary policy. Today, China's monetary policy is closely watched, especially in New York, Washington D.C. and London;

4. The share of developing countries in world's output: between 2000 and 2009, the share of these countries in global output increased by 10%, from 23% to 33% (measured at market exchange rates) and from 40% to 50% (measured in purchasing power parity - PPP dollars);

5. South-South trade: in 1997, the ten largest exporters in Asia (excluding Japan) exported 46% of total exports to the United States, European Union and Japan in 2009; only 36% of the difference goes to countries developing and oil exporting countries. China is now the largest trading partner of Brazil, outpacing the United States;

6. EU and the euro: EU is slowly becoming a power with a higher cohesion than in the past, and the euro is the second major international reserve currency worldwide. The share of the euro in world foreign exchange reserves increased from 18% in 1999 to 27% in 2009. Furthermore economic growth in European Union along with its economic weight makes it an important source of pressure in the international economy and global economic governance framework.

5. Multilateralism in a multipolar world

In 2011, World Bank chief economist Dr. Justin Yifu Lin conducted a study about multipolarity (World Bank, 2011). Rebalancing the global power with increasing emerging markets over the past 30 years has created what Nobel laureate in 2001, Michael Spence, called the "New Convergence". He speaks about "two parallel revolutions that interact: the continuity of the industrial revolution in the advanced countries and unexpected and spectacular growth pattern of developing and emerging economies – known as the Revolution of Inclusion. After two centuries of great divergence a new pattern of convergence was adopted" (Spence, 2011).

World Bank report points out that the share of emerging markets in world trade increased from 26% in 1995 to 42% in 2010 and is still expanding. Specifically, by 2025, the World Bank estimated that six major economies – Brazil, Russia, India, China (BRIC) plus Indonesia and South Korea – will represent more than half of global growth. The World Bank

believes that in terms of actual multipolarity challenges for emerging markets to get to rebalance the international world order will have to improve technological innovation ability (productivity of factors of production) and to shift from export-led demand to the one based on internal engines of growth. A second trend is that multinational companies from emerging countries will become a powerful force in shaping global industrialization. The third trend is that financial markets now dominated by the United States will become more multipolar, with a greater role of the euro and in the long term, the yuan (World Bank, 2011).

One of the findings of the report states that a "multipolar global economy will weigh positive for developing countries as a whole though not necessarily for each of them individually". The current reality is that the European debt crisis continues slow growth in the USA and created a situation in which multilateral trade and investment regime which brought prosperity to the world is waiting. Current multilateral regime is a system of agreements between several countries working on common standards in security, trade and finance. International agencies such as United Nations, World Bank, International Monetary Fund and World Trade Organization are all institutions that support multilateralism.

Multilateralism in the area of international trade has been one of the foundations of global prosperity, which allowed developing countries to access global markets as tariff barriers fell and supply chains have become truly global. Multinational companies from developed countries fear that a multilateral system can promote greater competition from multinational companies in emerging markets, which are often state-owned or state-guaranteed, and that the new game cannot be at the same level as before. Therefore, there is greater support for bilateral arrangements through bilateral concessions regarding open markets that are perceived with more commercial results than obtaining the same effects by complex multilateral negotiations (Sheng, 2013).

The current deadlock of multilateralism is complex due to the debate on how to share the costs and responsibilities of maintaining the global system. If emerging markets want more power, they must be willing to share the costs of providing more global public goods.

6. Concluding remarks

Currently there is an increasingly spread in academia of significant terms such as multipolarism, multipolarity, interpolarism, global governance, multilateralism. All these concepts are trying to capture the changing nature of power in international relations and even the global power structure itself. Trends that want to summarize these concepts are directly related to the deepening interdependence multiplication and sophistication. The emergence of the increasingly obvious multipolarism is flexible, with different configurations, depending on the criteria for defining the concept of power. The need for an effective multilateral system, complex and at the same time flexible is undeniable. Despite many critics or skeptics, rather disillusioned below expectations or beliefs of maximum realistic inspiration, international organizations and international law remain relevant and current. Delaying effective processes and reform with universal multilateralism led to proliferation, since 1990, a "new multilateralism", characterized by three types: regional multilateralism, informal multilateralism and functional multilateralism.

This "new multilateralism" should not replace the traditional but complete and even facilitate adaptation and reform of the latter. The temptation to return to a system based on the balance of power, multipolarity without multilateralism can be seen in some current developments. The growth in economic global relevance of emerging economies is one of the manifestations of this trend.

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