Revitalizing Multilateralism: Pathways to Global Reform

This editorial is based on "[Summit of the Future: The UN at a crossroads"](#) which was published in The Hindu on 16/09/2024. The article highlights the upcoming UN Summit of the Future as a pivotal moment for global governance, with the "Pact for the Future" aiming to address UN reforms. While challenges remain, the summit offers a chance for meaningful change if member states commit to concrete actions beyond superficial agreements.

For Prelims: **United Nations Summit of the Future,** [Multilateralism,](#) [UN peacekeeping,](#) [International Monetary Fund,](#) [World Health Organization,](#) [COVAX,](#) [UN Framework Convention on Climate Change,](#) [Montreal Protocol,](#) [UN's Sustainable Development Goals,](#) [International Labour Organization,](#) [BRICS group](#), [Asian Infrastructure Investment Bank,](#) [World Trade Organization's Doha Round negotiations,](#) [Cryptocurrency,](#) [World Economic Forum.](#)

For Mains: Significance of Multilateral Institutions, Reasons for Diminishing Role of Multilateral Institutions

The upcoming **United Nations Summit of the Future** on **22nd-23rd September, 2024,** comes at a critical juncture for global governance. With faith in multilateralism at a low point following crises like the [Covid-19 pandemic](#) and conflicts in **Ukraine and Gaza,** the summit's centerpiece—the **Pact for the Future**—aims to outline a vision for UN reform and global cooperation. However, skeptics question whether this summit can truly address the UN's long standing structural issues, particularly the **Security Council's outdated power structure.**

Despite the challenges, the summit offers a rare opportunity for collective action on global issues and could catalyz**e real reform within the UN system.** The inclusion of civil society and private sector actors in discussions may breathe new life into [multilateralism](#). However, the summit's success will ultimately **depend on member states' willingness to move beyond superficial consensus** and **make concrete commitments**. While the Pact for the Future may not bring immediate transformative change, it could serve as a starting point for **rejuvenating global governance and demonstrating that multilateralism, though weakened, is far from dead.**

What is the Significance of Multilateral Institutions?

- **Conflict Resolution and Peacekeeping**: Multilateral institutions play a crucial role in conflict prevention and resolution.
    - Since 1948, [UN peacekeeping](#) **operations have been deployed 71 time**s, helping to end conflicts and foster stability in many regions.
    - As of May 2023, 87,000 women and men are serving as peacekeepers in **12 conflict zones across Africa, Asia, Europe, and the Middle East.**
- **Economic Stabilization:** Institutions like the [International Monetary Fund](#) **(IMF) and World Bank** are pivotal in maintaining global economic stability.
    - During the 2008 financial crisis, the IMF committed over **USD 250 billion in loans to**

help stabilize economies.
- More recently, the IMF is currently lending close to **USD 200 billion** to over 35 countries, notably: **Argentina, Ecuador, Egypt, Iraq, Jordan, Tunisia, Ukraine** and 16 countries in Sub-Saharan Africa.

- **Global Health Management**: The [World Health Organization (WHO)](#) stands at the forefront of global health crises.
  - During the **Covid-19 pandemic,** the WHO coordinated the largest vaccine distribution in history through COVAX.
  - The organization's efforts in **eradicating [smallpox](#) (declared in 1980)** and **reducing polio cases by 99% since 1988 d**emonstrate its long-term impact on global health.
  - The **WHO's International Health Regulations** provide a framework for **196** countries to work together on containing health threats.

- **Climate Change Mitigation:** Multilateral environmental agreements, facilitated by institutions like the [UN Framework Convention on Climate Change](#) **(UNFCCC)**, are crucial in addressing climate change.
  - The [Paris Agreement,](#) adopted by 196 parties in 2015, set a global framework to limit global warming to well below 2°C.
  - The [Montreal Protocol](#) has proven to be innovative and successful, and it is the**first treaty to achieve universal ratification** by all countries in the world

- **Human Rights Advocacy:** The **UN Human Rights Council** and other multilateral bodies play a vital role in promoting and protecting human rights globally.
  - The **Universal Periodic Review** process has assessed the human rights records of all 193 UN member states since its inception in 2008.
  - These institutions provide mechanisms for global accountability and standard-setting in human rights.

- **Sustainable Development:** The [UN's Sustainable Development Goals](#) **(SDGs),** adopted by all member states in 2015, provide a shared blueprint for peace and prosperity.
  - The goals have mobilized efforts to end extreme poverty, with the **global extreme poverty rate falling from 36% in 1990 to 8.4% in 2019.**
  - Multilateral development banks like the World Bank Group committed**USD 157 billion in 2020-2021** to help developing countries address **health, economic, and social impacts of the Covid-19 pandemic**, showcasing their role in global development efforts.

- **International Standard Setting:** Multilateral institutions are instrumental in establishing global norms and standards.
  - The [International Labour Organization](#) **(ILO)** has adopted various conventions setting labor standards.
  - The International Civil Aviation Organization (ICAO) sets standards that have **made air travel one of the safest modes of transport.**

- **Scientific and Educational Advancement:** Organizations like **UNESCO** play a crucial role in promoting international collaboration in education, science, and culture.
  - As of **July 2024,** a total of **1,199 World Heritage Sites** (933 cultural, 227 natural, and 39 mixed properties) exist across **168 countries.**
    - The organization's efforts in education have contributed to global literacy rates rising from 12% in 1820 to 87% in 2020.
    - **CERN (European Organization for Nuclear Research),** a prominent example of scientific multilateralism, led to groundbreaking discoveries like the **Higgs boson in 2012.**

Why the Role of Multilateral Institutions Are Diminishing?

- **Shifting Global Power Dynamics:** The post-World War II order that gave birth to many multilateral institutions is crumbling **as power shifts from West to East.**
  - **China's rise as an economic powerhouse,** India's growing influence, and the **resurgence of Russia** have challenged the dominance of Western-led institutions.
  - The [BRICS group](#) (Brazil, Russia, India, China, and South Africa) has expanded, now representing **37.3% of global GDP.**
    - This shift has led to the creation of alternative institutions like the [Asian Infrastructure Investment Bank](#) **(AIIB),** which now has 109 members.
- **Rise of Sovereignty Prioritization:** There's a growing trend of nations prioritizing sovereignty

over multilateral commitments.

- **Brexit, with the UK leaving the EU after 47 years**, exemplifies this shift.
- The rise of populist and nationalist leaders worldwide has **fueled skepticism towards global institutions.**
- For instance, the former US President's "**America First" policy** led to withdrawals from the **Paris Climate Agreement.**

- **Institutional Decision-Making Paralysis:** Multilateral institutions often struggle with decision-making paralysis due to their consensus-based approach.
  - The **UN Security Council's inability** to act decisively on conflicts like **Syria** (with over 300,000 deaths since 2011) due to veto power illustrates this problem.
    - Since 2011, Russia has cast 19 vetoes, **14 of which were on Syria.**
  - The World Trade Organization's Doha Round negotiations, launched in 2001, **remain unresolved** after two decades, showcasing the difficulty in reaching agreements on complex global issues.
  - This inefficiency has led countries to **pursue bilateral or regional agreements** instead.

- **Technological Adaptation Lag**: Traditional multilateral institutions are struggling to keep pace with rapid technological advancements.
  - Issues like cryptocurrency **regulation, artificial intelligence governance, and cybersecurity threats** require agile responses that bureaucratic institutions often can't provide.
  - The lack of a **cohesive global approach to AI regulation**, despite its potential to reshape economies and societies, further underscores this challenge.

- **Declining Public Trust:** Public trust in multilateral institutions has been declining, fueled by **perceptions of elitism and lack of transparency.**
  - The World Bank's controversial "Doing Business" report scandal in 2021, which led to its discontinuation, further eroded trust in international financial institutions.
  - This trust deficit makes it **harder for multilateral bodies to garner support for their initiatives and policies.**

- **Financial Constraints:** Many multilateral institutions face chronic underfunding, limiting their ability to address global challenges effectively.
  - The U**N's regular budget for 202**2 was just **USD 3.12 billion,** less than the annual revenue of many multinational corporations.
  - This financial constraint forces institutions to **rely more on voluntary contributions,** potentially compromising their independence and ability to set long-term agendas.

- **Representation Imbalances**: Many multilateral institutions still reflect the power dynamics of the mid-20th century, **leading to questions about their legitimacy.**
  - The **UN Security Council's permanent members** have not changed since 1945, despite significant shifts in global power.
    - Countries like **India, Brazil, Germany, and Japan**, which are prominent contenders for permanent seats, still remain excluded from the panel.
  - The IMF's voting share still favors Western countries. African countries still have very little say in decision-making in the World Bank and the IMF with **less than a 10 percent vote share in the IMF board.**
  - This lack of representation fuels resentment and pushes emerging powers to seek alternative forums for global engagement.

- **Siloed Approach to Global Issues**: The compartmentalized nature of many multilateral institutions makes it difficult to address complex, interconnected global challenges.
  - Climate change, for example, requires coordination between environmental, economic, and social bodies.
  - Yet, the fragmented approach often leads to ineffective responses.
  - The UN system alone has **over 15 separate agencies** working on aspects of climate change, often with **overlapping mandates and competing priorities, hampering a cohesive global strategy.**

What Strategies can be Implemented to Reform Multilateral Institutions?

- **Rebalancing the Power Equation**: Reform voting structures to better reflect current global economic and demographic realities.
  - For instance, **updates are needed in the UN Security Council composition** to include

emerging powers like **India, Brazil, Japan and African representation.**
- Implement weighted voting systems in institutions like the IMF and World Bank** that dynamically adjust based on GDP, population, and other relevant factors.
- The African Union's push for Security Council reform and the G20's inclusion of the AU as a permanent member in 2023 demonstrate growing momentum for such changes.

- **Embracing Digital Democracy**:Implement secure digital platforms for more inclusive global decision-making processes.
  - Use **blockchain technology** to ensure transparent voting and decision-tracking in multilateral forums.
  - Develop **AI-powered translation services** to break language barriers in real-time during international meetings.
  - **Estonia's e-governance model,** which allows citizens to vote and access government services online, could serve as inspiration for digital integration in global institutions.
- **Adaptive Coalition Formation**: Encourage the formation of issue-specific coalitions within multilateral frameworks to address urgent global challenges. These coalitions can act more swiftly than larger, consensus-based bodies.
  - The High Ambition Coalition for Nature and People, **which successfully pushed for the 30x30 target in the** Global Biodiversity Framework, demonstrates the effectiveness of such flexible arrangements.
- **Localization of Global Goals:** Develop mechanisms to translate global agreements into local action more effectively.
  - **Create direct funding channels from multilateral institutions to local governments** and civil society organizations for implementing global initiatives.
  - Expand programs like the **UN Global Compact Cities Programme** to enhance urban participation in global governance.
- **Enhanced Transparency Measures**: Implement comprehensive open data policies across all multilateral institutions.
  - Establish **audit committees with rotating membership** from different countries to oversee institutional operations.
  - The **International Aid Transparency Initiative (IATI),** which makes data on aid spending openly available, could be expanded to cover all aspects of multilateral operations.
  - Develop user-friendly dashboards and regular public reporting mechanisms to enhance accountability.
- **Multi-Stakeholder Engagement:** Formalize mechanisms for private sector and civil society participation in multilateral decision-making processes.
  - The World Economic Forum's **model of multi-stakeholder engagement** could be adapted for formal multilateral institutions.
  - Expand initiatives like the **UN Global Compact** to create more binding commitments for corporate participation in global governance.
- **Crisis Response Readiness:** Develop dedicated rapid response units within multilateral institutions with pre-approved funding and authority to act in emergencies.
  - Create a global emergency coordination platform that integrates data and resources from various agencies and countries.
  - Implement **regular global crisis simulation exercises** involving multiple institutions and countries.
- **Comprehensive Digital Governance**: Develop a comprehensive global digital governance framework addressing issues like **cybersecurity, data privacy, and AI ethics.**
  - Create a dedicated agency for digital affairs to coordinate international efforts.
  - The Budapest Convention on Cybercrime, the first international treaty on crimes committed via the Internet, could serve as a foundation for broader digital governance efforts.

What Role can India play in Reforming Multilateral institutions?

- **Bridging Developed and Developing Worlds**: India, with its unique position as both a developing country and an emerging economic powerhouse, can serve as a crucial bridge between the Global North and South.
  - As the **world's most populous country and fifth-largest economy,** India's perspective is invaluable in ensuring equitable global governance.

- India's leadership of the **G20 in 2023,** where it championed issues like **digital public infrastructure** and **climate finance** for developing countries, exemplifies this bridging role.
- The country's **"One Earth, One Family, One Future"** **G20 theme** resonated with both developed and developing nations, showcasing India's potential to foster global unity.

- **Strengthening Global Democratic Processes:** As the world's largest democracy, India can play a pivotal role in strengthening democratic processes within multilateral institutions.
  - India's experience in **managing diverse opinions and interests in a democratic framework** can inform reforms in global decision-making processes.
  - The **2024 Indian general election** is a massive democratic exercise unmatched in scale globally and historically, offers lessons for enhancing transparency and efficiency in global governance mechanisms.

- **Digital Innovation Leadership:** India's prowess in information technology and its successful implementation of **large-scale digital initiatives position it as a leader in leveraging technology for global governance.**
  - India's Aadhaar system, the world's largest biometric ID program offers a model for digital identity solutions globally.
  - In 2023, India's Unified Payments Interface handled 117 billion financial transactions totalling 2.19 trillion dollars in value.
    - India can lead efforts to create similar platforms for international cooperation.

- **Climate Action Catalyst:** As both a **major emitter** and a country highly vulnerable to climate change, India can play a crucial role in shaping equitable climate action within reformed multilateral frameworks.
  - India's commitment to achieve net-zero emissions by 2070, coupled with its ambitious renewable
  - The International Solar Alliance, initiated by India, now has **110 member countries** and exemplifies India's capacity to create new multilateral mechanisms for sustainable development.

- **Peacekeeping Operations Expertise:** India's extensive experience in UN peacekeeping operations positions it to play a key role in reforming global security mechanisms.
  - As one of the largest contributors to UN peacekeeping, having deployed over **200,000 troops in 49 missions,** India can advocate for more effective and responsive peacekeeping strategies.
    - India has a long history of supporting female peacekeeping and was the first country to send an all-female contingent to a UN force, in **Liberia in 2007**.
  - India's concept of **"human-centric" peacekeeping,** which focuses on capacity building and community engagement, can inform broader reforms in conflict resolution approaches.

- **Vaccine Diplomacy Leader**: India's role as the "**pharmacy of the world"** and its vaccine diplomacy efforts position it to lead reforms in global health governance.
  - During the Covid-19 pandemic, India supplied vaccines to over 150 countries, demonstrating its capacity for global health leadership.
  - India can advocate for reforms in the WHO to **enhance epidemic preparedness** and ensure equitable access to medicines and vaccines globally.

- **Cultural Diplomat**: India's rich cultural heritage and its philosophy of **"Vasudhaiva Kutumbakam" (the world is one family)** provide a unique foundation for fostering global cooperation.
  - In reformed multilateralism, India can champion initiatives that promote cultural exchange and mutual understanding, crucial for effective global governance.
  - India's proposal for a UNESCO Heritage Site **dedicated to the shared heritage of democracy** worldwide is an example of how it can use cultural diplomacy to strengthen multilateral cooperation.

Conclusion

While multilateral institutions face numerous challenges in adapting to the shifting global order, the upcoming **UN Summit of the Future** provides a crucial opportunity fo**r revitalizing global**

governance. The success of reform efforts will hinge on the willingness of member states to embrace meaningful change. India, with its growing global stature, is well-positioned to lead and bridge divides, pushing for a more inclusive and effective multilateral system that addresses contemporary challenges.

> ### _Drishti Mains Question:_
>
> Critically examine the role of multilateral institutions in global governance and discuss the challenges they face in addressing contemporary issues

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Q. In which one of the following groups are all the four countries members of G20? (2020)

(a) Argentina, Mexico, South Africa and Turkey

(b) Australia, Canada, Malaysia and New Zealand

(c) Brazil, Iran, Saudi Arabia and Vietnam

(d) Indonesia, Japan, Singapore and South Korea

Ans: (a)

Q. Consider the following statements: (2016)

1. New Development Bank has been set up by APEC.
2. The headquarters of the New Development Bank is in Shanghai.

Which of the statements given above is/are correct?

(a) 1 only

(b) 2 only

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans: (b)

Mains:

Q. What do you understand by 'The String of Pearls'? How does it impact India? Briefly outline the steps taken by India to counter this. **(2013)**