

*EADCF 2019: Reinventing Multilateral Cooperation and Roles of  
Northeast Asian Countries to Achieve SDGs: Amid Rises of Unilateralism*

# Unilateralism versus Multilateralism? Emerging Countries and Emerging Multilateralisms

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Arab Organizations HQ Building:  
<http://www.arabfund.org/AOHQ/exterior1.htm>



AIIB HQ:  
<http://japanese.cri.cn/20190714/77b532a6-7512-cf4b-52ab-8fdcc3ded915.html>

# Introduction

# ■ Background

## ■ **Traditional multilateral aid:** the Bretton Woods system and OECD/DAC



Mount Washington Hotel, Bretton Woods :  
<https://www.aier.org/article/what-happened-bretton-woods>

## ■ Multilateral aid in crises?

- ‘Bilateralisation of multilateral aid’ (Tok *et al.* 2014)
- ‘Unilateralisation of multilateral aid’
- ‘Multilateralisation of south-south co-operation’

# ■ Questions:

■ Discussion: emerging countries' **unique and diverse approaches to multilateral aid**

■ Research questions:

1. Does unilateralism endanger multilateral aid?
2. How have emerging countries responded to the traditional multilateralism in aid?
3. How have emerging countries approached to the their own multilateral aid?
4. Do they challenge the traditional multilateral aid?

■ Cases: Gulf donors and China

## ■ Literature Review

# ■ Aid? Or Development Co-operation?

## ■ Busan High-Level Forum (HLF):

- Shifting from 'aid' to 'development co-operation'

- Emerging countries:  
blurring the boundary between  
trade, investment and aid  
in the narrow sense



Busan HLF :  
<http://southernvoice.org/tackling-development-effectiveness-a-spectrum-of-unfinished-businesses/>

- 'Aid': including all activities to 'aid' (eg. financial assistance, economic co-operation, and South-South co-operation)

- What Are Unilateralism, Bilateralism and Multilateralism?
- Unilateralism: ‘a situation where the powerful state disrespects multilateral norms and adopts a self-centred foreign policy’ (Wedgwood 2002)
- Bilateralism: joint actions between two countries to issues
- Multilateralism: ‘an institutional form that co-ordinates relations among three or more states on the basis of “generalised” principles of conduct—that is, principles which specify appropriate conduct for a class of actions, without regard to the particularistic interests’ (Ruggie 1992).

# ■ Why Multilateralism?

- To facilitate international democracy
  - Voices of small countries are heard
  - Major powers are disciplined by international responsibility
- To improve accountability, transparency and sustainability
- To be more efficient, effective and responsive to recipient needs than bilateral aid



# Bretton Woods System: World Bank & IMF

Established in 1944



Structural adjustment programme regime (1980s): constraining both donors and recipients to accept and implement SAPs

Poverty reduction strategy regime (1990s): increasing the influence over domestic development policy in recipient countries

# ■ OECD/DAC

- Making an effort to share modalities-related norms
  - ODA/GNP ratio, grant elements (GE), untied aid, project evaluation methods, and streamlining technical co-operation
- Building norms on substantial aid issues
  - Gender, environment, participatory development, democratic governance, and peace-building, etc..
- Paris Declaration on Aid Effectiveness in 2005
  - Advocating **a multilateral approach to improve aid effectiveness**
  - Principles of ownership, alignment, harmonisation, result-based management, and mutual accountability
- ‘Desirable’ aid: ‘DAC aid model’

## ■ Gulf Donors' Approaches to Regional Multilateralism

## ■ Gulf Donors: Old Donors

■ Kuwait: the Kuwait Fund for Arab Economic Development (1961)



■ UAE: the Abu Dhabi Fund for Development (1971)



■ Saudi Arabia: the Saudi Fund for Development (1974)



■ Qatar: the Qatar Development Fund



- Gulf Donors and the Traditional Multilateral Aid
- Preference: bilateral aid
- Aid modality: loans to develop economic sectors
- Negative to conditionality

- Gulf Donors and the Traditional Multilateral Aid
- Collaboration with the Traditional Aid
  - Commitment to UN:
    - Donor Support Group of the UN Office for the Coordination of Humanitarian Affairs (OCHA)
    - Donor Support Group of the Office of UNHCR
  - Compatible with 'traditional' norms:
    - high ODA/GNI ratio
    - positive to donor co-ordination

- Gulf Donors and their Own Multilateral Aid
- The Arab Fund for Economic and Social Development
- **Co-ordination Group** of Arab Nation and Regional Development Institutions:
  - Umbrella organisation of 10 bilateral/multilateral institutions to co-ordinate aid of Gulf donors
  - Jointly to design aid policy, to share best practices and to promote harmonisation among members
- Arab Co-ordination Group's Procurement Guidelines:
  - **Untied aid** from their multilateral aid

# ■ Nature and Impact of Gulf Donor's Approaches

## ■ Nature: **Dual approaches:**

- **Collaborating with the traditional multilateralism**
- **Developing their own regionally constructed multilateral aid**
- **Less conflictual to the traditional multilateral aid**

## ■ Impact:

- **Not challenging**



## ■ Superpower's Initiatives for Global Multilateralism

# ■ China's Approaches to the Traditional Multilateralism

## ■ Historical evolution

### ■ 1949-1971:

- excluded from the UN

- promoting the Non-Aligned Movement

### ■ 1990s: gradually accepting multilateralism

- China's approaches: historically changing and strategically mixed



1961 Non-Aligned Conference in Belgrade:  
<https://globalsouthstudies.as.virginia.edu/key-moments/belgrade-1961-non-aligned-conference>

- China's Approaches to the Traditional Multilateralism
- China's mixed approaches to DAC aid model
  - 'Foreign assistance' and 'win-win'
  - Distance from donor co-ordination for the aid effectiveness
  - Response to an international suspicion: debt-cancellation
- Partial and selective approaches



# ■ China's Approaches to New Multilateralism

## ■ AIIB:

- Founded in 2015 to supplement insufficient supply for investment



AIIB Signing Ceremony:  
<http://chinaincentralasia.com/2016/11/04/chinas-development-lenders-embrace-multilateral-co-operation/>

- Gu (2017): AIIB's multilateral features:
  1. consensus-seeking
  2. learning from the traditional multilateral aid
  3. positive to collaboration with traditional multilateral aid

# ■ China's Approaches to New Multilateralism

## ■ The New Development Bank (NDB):

- Founded in 2015 to assist infrastructural and sustainable development
- Compliance with rules of the traditional multilateral aid institutions
- Staff members, who have professional careers at traditional MDBs



NDB:  
<https://www.eurasiareview.com/21072014-brics-new-development-bank-historic-game-changer-analysis/>

# ■ China's Approaches to New Multilateralism

## ■ One Belt, One Road Initiative (OBOR):

- Objectives: market integration  
economic policy co-ordination,  
and regional economic co-operation  
among members.



- Guiding principles: derived from the UN Charter and China's Five Principles of Peaceful Co-existence

# ■ Nature and Impact of China's Approaches

## ■ Nature:

- Approaching to the traditional multilateral aid
- Committing in a partial and selective manner
- Constructing the new multilateral aid system on a global level
- Being careful not to challenge the traditional multilateral aid

## ■ Impact:

- Not challenge immediately, but great potentials

## Implications



- Implications
- Issues: not the dichotomous debate of ‘unilateralism or multilateralism’
- **Diverse multilateralisms** are emerging, relativising the traditional multilateralism.
  - In 2009, BRICs claimed for **the multi-polar world order**
  - ADB has once welcomed **‘the competitive pluralism’** in international aid architecture.
- Need to rethink **relevances and comparative advantages** of individual multilateralisms



<https://orientalreview.org/2019/06/29/eurasianism-the-struggle-for-the-multi-polar-world/>

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Thank you very much for your attention.