



SPOTLIGHTS

LKI's *Spotlights* feature interviews with global thought leaders on aspects of contemporary international relations.

Multilateralism in an Age of Political Populism and Multipolarity

Interviewed by Anishka De Zylva*

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* **Anishka De Zylva** was a Research Associate at the Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI). The opinions expressed in this transcript are the interviewee's own views and are not the institutional views of LKI.

The Lakshman Kadirgamar Institute (LKI) recently interviewed Mona Sutphen, a New York-based Partner of Macro Advisory Partners, to discuss multilateralism in an age of political populism and multipolarity.

Ms. Sutphen is internationally recognised for her expertise in geopolitical risk and security. She joined Macro Advisory Partners from UBS, a Swiss multinational investment bank and financial services company, where she was a Managing Director covering geopolitical risk and macro policy trends.

From 2009 to 2011, she served as White House Deputy Chief of Staff for Policy under President Barack Obama. She was also a US Foreign Service Officer from 1991-2000, serving on the National Security Council at the White House, as part of the US Mission to the United Nations; in the Office of the High Representative in Sarajevo, for the State Department; and at the US Embassy in Bangkok.

See below for a lightly edited transcript of the interview, featuring Ms. Sutphen's responses to questions posed by Anishka De Zylva, former Research Associate at LKI.

LKI: Political populism is on the rise in both the developed and developing world. *Does political populism pose a risk to multilateral initiatives like the Paris Agreement and the World Trade Organization?*

Mona Sutphen: I don't see populism as a threat to multilateralism per se, but nationalism is. And, unfortunately, I do not see a quick or easy path forward. The G20 did a B+ job in responding to the 2008-2009 financial crisis, but a C- job (at best) at addressing the political fallout from the crisis, which exacerbated real and perceived inequities like income inequality, global trade and lack of social mobility. We are now at the 10-year anniversary of the Great Recession and the political aftermath has led to a backlash in many countries—not just the US and Western Europe—in which societies are looking inward and demanding a 'me first' approach. This 'me first' approach often leads to short-sighted policy decisions (for example, lack of effective responses to the global migration crisis), but reflects the fact that many segments of society around the world are not convinced that the old models were working for them—and they are right to some degree.

LKI: *Let me take your points a little further by asking you, besides the European Union, which countries or groups of countries, could champion multilateralism in the current geopolitical environment? Some commentators have highlighted that [multilateralism is faltering](#) at a time when the international order is becoming more multipolar.*

Mona Sutphen: I think it is very interesting to watch China's role evolve in the current environment. While I think China's vision of multilateralism is problematic and fundamentally different from America's values-based approach to global order since World War II, China recognises the gains to its economy and security from working together. It is probably the only major power that has the capacity to drive a new international order, but it is not clear to me whether they (1) seek such a role and its implicit burdens; and (2) whether other countries will accept their frameworks for multilateralism.

LKI: Given this uncertain and evolving multilateralism, countries are arguably resorting to more targeted agreements with a few like-minded states (also known as 'plurilateralism' and 'minilateralism'), to maintain consensus and a rules-based order. However, some have suggested that this targeted approach occurs mainly in the context of trade, and less often in security. *Is that assessment accurate?*

Mona Sutphen: I do not agree. It is true that much of this ‘minilateralism’ is focused on trade and pragmatic issues of common concern, but the multilateral order that the US helped build also had its roots in economics. The Bretton Woods Institutions reflected a desire to ensure stability and address the economic conditions that had plunged the world into two devastating global wars. While major powers need to be involved for these arrangements to foster new forms of global multilateral cooperation, there is no reason we should assume these efforts won’t evolve toward broader, more global cooperative arrangements over time. Further, these kinds of smaller groupings often collaborate on security-related matters, such as on counter-terrorism and disaster relief.

LKI: With China’s Belt and Road Initiative (BRI) taking off, there is speculation that this represents a new [model of multilateralism](#) that differs from the post-war Bretton Woods system. *What are the opportunities and possible risks stemming from this new ‘model’ of multilateralism?*

Mona Sutphen: I see the BRI as more along the lines of the Marshall Plan than something akin to the post-war Bretton Woods system. The BRI and the Marshall Plan are models that leverage the country’s sovereign balance sheet to project both hard and soft power. In financing the rebuilding of Europe, the US also sought to advance notions of capitalism, benefitting both Europe and American financial institutions. In my mind, the Bretton Woods Institutions were a way to protect and extend further those investments. Now China is undertaking a similar effort. For those familiar with the Bretton Woods approach, the Chinese-led efforts may seem jarring—but China is acting in its self-interest. And for BRI beneficiary countries, China’s investment approach has many flaws and downsides—but so does the Bretton Woods system. And China is offering an alternate pathway for economic development that is understandably attractive.

LKI: *Overall, what would you say is the outlook for the international relations of smaller states like Sri Lanka? Can they benefit from multipolarity and the decline of multilateralism or will these forces create more instability?*

Mona Sutphen: In an era of rising global disorder, smaller states have new opportunities and risks. Their opportunity will be in the rise of new economic institutions and arrangements that offer a different path for economic growth. For example, enhanced mechanisms for trade between Southeast Asia and South America opens new markets and dynamism among growing economies—without being tethered to the US, Japan, Europe and China. Further, new technology will lower the barriers for smaller countries to access education, information and connection to global markets. However, success will require more planning, discipline and political stability. The downside risk is that smaller states are increasingly bearing the brunt of the factors destabilising the world—climate change, migration, terrorism—and the bigger powers are increasingly self-interested and distracted, unwilling to provide the leadership and security guarantees that can help tamp down instability.

Further Reading

Adeyemo, W. (2017). *Protectionism is Rising the World Over. Our Best Defense is Fighting Inequality*. The Guardian. Available

at: <https://www.theguardian.com/commentisfree/2017/apr/21/protectionism-is-rising-the-world-over-our-best-defense-is-fighting-inequality>.

Habib, B. and Faulknor, V. (2017). *The Belt and Road Initiative: China's Vision for Globalisation, Beijing-Style*. The Conversation. Available

at: <https://theconversation.com/the-belt-and-road-initiative-chinas-vision-for-globalisation-beijing-style-77705>.

Laïdi, Z. (2018). *Is Multilateralism Finished?*. Project Syndicate. Available at:

<https://www.project-syndicate.org/onpoint/is-multilateralism-finished-by-zaki-laidi-2018-05?barrier=accesspaylog>

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