

Multilateralism in a Post-COVID World

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The article was developed following an interview with the Ambassador of New Zealand to the European Union and NATO, Mr. Carl Reaich. The views expressed in this article do not necessarily reflect the specific views of the New Zealand government.

By Alexander Prenter

As the guiding framework of international relations since the end of World War II, multilateralism and the system of rules-based international trade has created prosperity for countries, raised millions from clutches of poverty, and helped to strengthen relationships between countries. But multilateralism faces a number of challenges. Even before COVID-19, certain nations expressed reservations towards ongoing cooperation in multilateral fora such as the United Nations (UN) and the World Trade Organisation (WTO).

COVID-19 has only exacerbated the challenges multilateralism faces. Josep Borrell Fontelles, High Representative of the European Union for Foreign Affairs and Security Policy, recently [noted to the UN](#) that the pandemic is shaking the very foundations of societies and exposing the vulnerabilities of the world's most fragile nations. The pandemic risks deepening "existing conflicts and generate new geopolitical tensions." The nationalist appeal for protectionism has been an enticing calling card for many political parties and politicians. Many will recall the [shortages of personal protective equipment](#) at the outset of the crisis due to some nations hoarding supplies. Yet, multilateralism still has much to offer as means of strengthening nations' collective resolve and resiliency in the face of ensuing crisis like COVID-19 and climate change.

To explore in greater detail the future of multilateralism and the rules-based system of international trade, Lighthouse Europe took the time to discuss the topic with Mr. Carl Reaich, Ambassador of New Zealand to the European Union and NATO, who offered to share the perspective of the small island nation state at the bottom of the South Pacific.

For New Zealand (NZ), multilateralism is fundamentally about recognising that as nation states and peoples of various backgrounds, cultures, religions and creeds, we are all in the same boat together. Prime Minister Jacinda Ardern recently articulated New Zealand's approach to multilateralism in a



2018 address to the UN General Assembly, where she [noted](#) “in New Zealand, going it alone is not an option.” Collective international action is in the best interests of small nations especially on issues that have universal, trans-boundary effects which no one nation has a stake in dealing with alone.

Underpinning multilateralism is the rules-based system. Rules which are clear, predictable and enforceable mean that the law of the jungle does not reign supreme, that the strong cannot simply dictate to the weak. In rules-based system, a *Melian Dialogue* is untenable. For small nations like NZ, this is the best way of getting things done on an international level. By working together with others, nations have a better chance of getting their interests on the agenda than if they went out on their own.

Both the EU and NZ are strong supporters of multilateralism, and together they cooperate in almost all policy areas and in all fora. Mr. Reaich is quick to note that while they might not see eye to eye on every issue, the joint commitment for multilateralism flows through into constructive engagement with one another to resolve disputes and to work together on the international stage to achieve shared goals. **The 2016 Paris Agreement was one area, in particular, where NZ and the EU worked constructively.**

Another area of cooperation is reform of the WTO. In March 2020, New Zealand’s Permanent Representative to the World Trade Organisation (WTO) Ambassador David Walker was appointed to chair the WTO General Council, offering NZ the unique opportunity to help push forward the reform process. A daunting task lays ahead. Since the WTO is a consensus-based organisation it is always going to move at the pace of its slowest member. But NZ can count on the support of the EU. In her [2020 State of the Union](#) speech, President von der Leyen announced a new initiative to strengthen the EU’s contribution to rules-based multilateralism and in 2021, the Commission and Council will produce a joint communication which will propose concrete actions to achieve these objectives.

In recent times, NZ has met great success promoting multilateralism outside the main international fora through plurilateral agreements. Plurilateral agreements allow like-minded nations to set ambitious goals which grow into larger agreements, demonstrating to reticent nations that the deals are beneficial. A recent practical example of this working well is the Comprehensive and Progressive Trans-Pacific Partnership which started out as a negotiation between NZ, Chile, Brunei, and Singapore. The negotiation subsequently grew into the largest regional trade agreement in history with a total of fourteen members including the United States and Japan. Although President Trump withdrew the United States from the agreement, the other members have signed the deal ([CPTPP](#)) and the door remains open for the US to re-join along with other nations. Both China and the United Kingdom have expressed interest to do so.

NZ is pursuing the same strategy in its ambition to tackle climate change through trade policy, particularly in the area of fossil fuel subsidies. Globally, countries are subsidising fossil fuel production and consumption to the tune of over 420 billion euros a year. Subsidies inhibit the transition to the renewable energy technologies by creating artificial incentives for sticking with fossil fuels. To address

this issue, NZ is working with a group of like-minded countries including, Norway, Iceland, Costa Rica and Fiji to draft an [Agreement on Climate Change, Trade and Sustainability](#). The goal is to construct a framework together and to progressively increase the number of signatories.

One might even hope that the EU would consider the deal, which is in line with the objectives of the [European Green Deal](#). The European Parliament in its [own-initiative report](#) on the New Industrial Strategy for Europe “calls on the Commission, (...) to stand up for an open and rules-based multilateral trading system which is consistent with global efforts to halt climate change and biodiversity”. Perhaps, the first step towards this are the ongoing [NZ-EU free trade agreement negotiations](#), where there is an opportunity to feature binding environmental commitments in the deal.

Plurilateral deals demonstrate that even in the face of impasses in the largest multilateral fora, ambitious and forward-looking deals can be struck that can push forward key issues like climate change. A country like NZ would never be able to achieve these agreements by themselves. **It’s through constructive dialogue with others that nations can come together to find solutions to issues they would otherwise be unable to tackle on their own.**

Despite nationalist and protectionist cries from some, the COVID crisis has demonstrated the efficacy of multilateralism when collective interests are at stake. [COVAX](#) is one multilateral project aimed towards securing equitable access to a vaccine for COVID-19 as soon as possible. The EU has provided much needed leadership in this area. Furthermore, the World Health Organisation has been instrumental in offering expert guidance and support to countries throughout the crisis. In fact, the NZ government attributes its success to date in dealing with COVID in NZ in part to the support which the WHO has provided. Thus, as Ambassador Reaich points out, times of crisis are precisely when countries should not pull up the drawbridge and recede within their own borders, but should instead engage with the international community to find collective solutions.

Indeed, if COVID has demonstrated anything it is that multilateralism is not only efficacious, but also resilient. Perhaps, COVID will act as a wakeup call to the international community that the best way to tackle transnational issues is through cooperation. **Both NZ and the EU share this vision. Both demonstrate through their policies and actions that whether as a small nation tacked on to the bottom the map, or one of the largest trading blocs in the world, we cannot go it alone, that we are all in the same boat together.**