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Adjusting the Multilateral System to Safeguard Dutch Interests

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Adjusting the Multilateral System to Safeguard Dutch Interests

Rob de Wijk, Jack Thompson and Esther Chavannes
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Samenvatting

Het bevorderen van stabiliteit en rechtsorde in de wereld door internationale samenwerking en instituties is een vast anker in de Nederlandse buitenlandpolitiek. Voor een hoog ontwikkeld, middelgroot land zijn dit voorwaarden voor veiligheid en economische groei. Deze studie laat zien hoe. We beschrijven daarvoor achtereenvolgens (1) het belang van een goed functionerend multilateraal systeem voor een middle power zoals Nederland; (2) de voordelen die multilateralisme voor Nederland oplevert; (3) de gevolgen van een dreigende teloorgang van het systeem; (4) hoe Nederland kan bijdragen aan het revitaliseren van het systeem en (5) welke systeemhervormingen hiervoor nodig zijn.

Het belang van een goed functionerend multilateraal systeem

Het huidige multilaterale systeem, gevormd na de Tweede Wereldoorlog, is gebaseerd op: (1) het belang van regels; (2) inclusiviteit van deelname en (3) geïnstitutionaliseerde vrijwillige samenwerking. Vooral middelgrote staten als Nederland hebben baat bij multilateralisme. Anders dan een supermacht zoals de Verenigde Staten missen ze ‘shaping power’, het vermogen om de wereld naar hun hand te zetten. Multilateralisme stelt kleine en middelgrote landen in staat machtige naties in toom te houden en collectief invloed uit te oefenen. Een van de in dit rapport aangehaalde auteurs stelt dat deze landen door samenwerking de invloed van een supermacht kunnen hebben. De Europese Unie is daarvan een voorbeeld.

Aangezien multilateralisme grote en kleine landen aan dezelfde reeks regels bindt, is het een doeltreffend middel om wereldwijde uitdagingen aan te pakken, zoals vrede en veiligheid met inbegrip van terrorisme, corruptie en de internationale georganiseerde misdaad, klimaatverandering, migratie, monetaire en economische stabiliteit en belastingharmonisatie. De deelname van grootmachten aan dit systeem is geen kwestie van altruïsme, maar gebaseerd op de overtuiging dat multilateralisme ook hun stabiliteit en welvaart dient.

Deze richten zich op onderwerpen als gezondheid, migratie, vluchtelingen, mensenrechten, duurzame ontwikkeling, kinderwelzijn en landbouw en voedsel. Als enige orgaan dat zich bezighoudt met de mondiale vrede en veiligheid, is de VN Veiligheidsraad cruciaal voor het verminderen van de spanningen tussen de grote spelers en de vreedzame beslechting van geschillen. De WTO beheert een open handelssysteem op basis van multilateraal overeengekomen regels.

De regionale multilaterale organisaties vullen deze mondiale architectuur aan. Het Europese integratieproces, dat het continent na de Tweede Wereldoorlog vrede en welvaart heeft gebracht, is een vorm van regionaal multilateralisme. Voor Nederland zijn de EU en de NAVO het meest relevant. Ook de Raad van Europa en de Organisatie voor Veiligheid en Samenwerking in Europa (OVSE) spelen een belangrijke rol. In andere regio’s bestaan eveneens multilaterale organisaties en fora zoals de Afrikaanse Unie, de ASEAN en de Arabische Liga.

De voordelen van multilateralisme voor Nederland

De vitale belangen van Nederland zijn eenvoudig te definiëren in termen van economische veiligheid, territoriale integriteit, fysieke veiligheid, internationale rechtsorde en maatschappelijke en politieke stabiliteit. De bescherming van deze vitale belangen kan uitsluitend door multilaterale samenwerking. Enkele voorbeelden illustreren alleen al de economische meerwaarde:

- Tegenover een bijdrage van €5,4 miljoen aan de WTO boekte Nederland in 2019 een exportstijging van 2,9% procent ter waarde van bijna €13 miljard. In totaal is het Nederlandse BBP bijna 6%, of circa €28 miljard, hoger dan wanneer het geen WTO-lid zou zijn.
- De interne Europese markt verhoogt het inkomen per hoofd van de bevolking met nog eens €1.000 per jaar. De jaarlijkse baten voor Nederland liggen tussen de €3.000 en €5.000 per hoofd van de bevolking per jaar. De netto afdracht per hoofd van de bevolking bedraagt ongeveer €150.
- Door de WTO, de EU en internationale handelsovereenkomsten gefaciliteerde goederen- en dienstenstromen, genereren tot 67% van het Nederlandse BBP.
- De wereld economie is gedeeltelijk afhankelijk van Nederlandse systeemknooppunten. Door deze functie is Nederland een belangrijke toegangspoort tot Europa geworden. Deze knooppunten zijn onder meer Schiphol Airport, de haven van Rotterdam en de Amsterdam Internet Exchange (AMS-IX).
- De mondiale stromen van informatie, ideeën en technologie waren in 2015 goed voor 22,9% (€158 miljard) van het Nederlandse BBP, versterken het concurrentievermogen van de innovatieve sectoren van het land en zijn van cruciaal belang bij het internationaal uitdragen van waarden die voor Nederland van belang zijn.
• Bevordering van mensenrechten, vanouds een speerpunt van de Nederlandse politiek, blijkt de economische groei te bevorderen. Zo heeft verbeterde toegang tot basisonderwijs en gezondheidszorg een positieve economische impact en draagt bij aan de groei van laag ontwikkelde landen.

• De uitbreiding van de EU en de NAVO, evenals de democratiseringsprocessen na de Koude Oorlog in Centraal- en Oost-Europa, hebben een aanzienlijke bijdrage geleverd aan de stabiliteit en daarmee aan de economische groei in heel Europa.

• Dit vertaalt zich ook in de prijs van veiligheid. Deze blijft laag bij afwezigheid van instabiliteit. Ook collectieve defensie met de NAVO-partners houdt de defensiebudgetten in toom. Het afhaken van de Verenigde Staten of de renationalisering van defensie kan tot een verdubbeling van het defensiebudget leiden.

• In 2018 kostte geweld de wereldeconomie $ 14,1 biljoen. Dit komt overeen met meer dan 11% van het wereldwijde BBP, ofwel ongeveer $ 1.850 per persoon. Het uiteenvallen van het huidige multilaterale systeem zonder goed alternatief zou tot een grote stijging van deze schadepost kunnen leiden, naast dat Nederland en Europa veel meer zullen moeten uitgeven aan defensie.

• De kosten zouden nog hoger zijn als de dempende werking van de VN Veiligheidsraad wegvalt. Toenemende rivaliteit op systeenniveau zou dan kunnen leiden tot lokale bedreigingen van de vrede en veiligheid of zelfs wereldoorlogen.

Erosie van het (huidige) multilaterale systeem en de gevolgen


Zowel China als Rusland ondergraven het systeem door het creëren van alternatieve structuren. Nieuwe bilaterale of regionale economische en veiligheidsstructuren, het uiteenvallen van het wereldwijde internet en het ontstaan van alternatieve internationale betalingssystemen zijn hier voorbeelden van. Deze spelers, maar ook
De VS, zien momenteel het multilateralisme vooral in termen van een economische kosten-batenanalyse. De meeste Europese landen blijven het multilaterale systeem zien als een voorwaarde voor stabiliteit van het internationale systeem en als voorwaarde voor economische groei. De onverenigbaarheid van deze instrumentele respectievelijk functionele kijk op het multilateralisme verklaart veel van de huidige spanningen tussen de EU en de VS, respectievelijk tussen EU en China en Rusland.


De politieke speelruimte van diverse middelgrote landen, in het bijzonder de geïndustrialiseerde, rijke democratieën in Europa zoals Nederland, staat onder druk door opkomend populisme en soevereiniteit. Populisme is een alternatief voor de technocratie, of de op feiten en kennis gebaseerde democratische besluitvorming. Het is een mobiliserende wijze van politiek bedrijven met behulp van een eenvoudig verhaal (Take Back Control, America First). Daarmee wordt de complexiteit van de internationale betrekkingen ontkend. Soevereiniteit benadrukt het belang van het behoud van de politieke onafhankelijkheid van een natie of een regio in een zero-sum wereld waarin de winst voor de een het verlies voor de ander betekent. Het geeft de voorkeur aan bilaterale handelsovereenkomsten en protectionisme. Door de opkomst van deze stromingen zijn delen van het politieke spectrum immuun voor feiten en kennis. Dit maakt het moeilijk om een deel van de bevolking te overtuigen van de noodzaak om te blijven investeren in het multilaterale systeem.

Als het multilaterale systeem instort, zou dit voor een open land als Nederland catastrofale gevolgen voor de economie en de veiligheid hebben. Het zou de sociale en politieke stabilité ondermijnen en zelfs de territoriale integriteit kunnen aantasten. Het zou Nederland blootstellen aan geopolitieke krachten waarover het geen controle heeft. En het zou Nederland degraderen tot een onbeduidend land dat overgeleverd is aan de grillen van de grootmachten. Zonder zijn lidmaatschap van internationale organisaties als de EU en de NAVO is het voor Nederland moeilijk als soeverein land-invloed uit te oefenen en zijn onafhankelijkheid te bewaren. Multilateralisme en soevereiniteit vullen elkaar aan.
Nederlandse bijdrage aan revitalisering van het systeem

Om verdere erosie van het multilateralisme te stoppen en zo mogelijk te keren, moet Nederland samenwerken met gelijkgestemde landen om het multilaterale systeem nieuw leven in te blazen zodat het de Nederlandse belangen blijft dienen. Dit vereist diplomatieke macht, die het best kan worden gegenereerd via de EU en, in mindere mate, de NAVO. Gezien het gebrek aan consensus over mogelijke hervormingen zal Nederland coalities moeten smeden met gelijkgestemde, vaak grotere landen binnen en buiten de EU. Dit vereist machtspolitiek denken. Daarbij mag ook niet worden teruggeschrokken voor harde machtspolitiek gesteund door militair vermogen en een effectief diplomatiek apparaat.

Gelijkgestemde landen zijn landen die willen samenwerken op basis van beginselen die zijn geworteld in de op regels gebaseerde internationale orde. Democratie, mensenrechten, individuele vrijheid en marktwerving zijn daarbij cruciaal. De Dutch Foreign Relation Index, ontwikkeld door HCSS, geeft inzicht in de relaties van Nederland met andere landen in termen van het belang van en de compatibiliteit met die landen. Het samenbrengen van die twee dimensies levert vijf clusters van landen op: anchors, associates, prospects, disruptors en contradictors. Door keuzes in het buitenlandbeleid van landen kunnen de relaties in de loop van de tijd veranderen. Door de lage olieprijzen en door de EU opgelegde sancties na de annexatie van de Krim begon Rusland bijvoorbeeld zijn agressieve beleid te temperen. Daardoor veranderde de Russische positie van disruptor naar prospect.

Figuur 1. Dutch Foreign Relations Index 2018 (bron: HCSS)
Een nauwe samenwerking met anchors, associates en prospects komt het multilaterale systeem en daarmee het oplossen van mondiale uitdagingen ten goede. Alle EU-lidstaten, het VK, Australië, Japan, Zuid-Korea, Canada en Nieuw-Zeeland behoren tot deze categorieën.

Het Westen, dat bestaat uit anchors en de meeste associates, werd tot voor kort geleid door de VS. Maar Washington wijst momenteel het multilateralisme af. Dit laat Nederland geen andere keuze dan in nauwe samenwerking met andere landen tegen Amerika in te gaan. Tegelijkertijd wil Nederland zijn traditionele brugfunctie tussen Europa en de VS versterken om Washington zo dicht mogelijk bij de Europese posities te houden of te brengen. Door de Brexit is Nederland zijn belangrijkste partner in de EU kwijt. Ook hier is er voor Nederland een taak om het VK zo dicht mogelijk bij de EU te houden.

Het creëren van een gelijk speelveld is met contradictors en disruptors onmogelijk. In 2018 was China de enige staat in deze laatste categorie. Als opkomende grootmacht probeert China de op regels gebaseerde orde aan te passen aan zijn eigen voorkeuren. Dit is een grote uitdaging omdat het Chinese waardesysteem radicaal verschilt van het onze. Het Chinese systeem van staatskapitalisme ziet de economie als een politiek instrument, terwijl het Westen in het algemeen gelooft in vrijhandel zonder politieke inmenging. Maar China kan niet genegeerd worden.

Noodzakelijke systeemhervormingen

De verschuiving van economische, militaire en politieke macht naar het Oosten heeft gevolgen voor het multilaterale systeem. Het huidige systeem is vrijwel volledig naar Westerse ideeën gevormd. Opkomende landen willen internationale instellingen aangepast zien op een manier die niet alleen hun gewicht, maar ook hun posities en waarden weerspiegelt.

Hervorming van het systeem om opkomende machten beter te binden, zal moeilijker zijn met een VS die zijn relatie met China alleen bekijkt door de lens van onderlinge machtspolitic. Aanhoudende spanningen tussen de VS en China maken van Washington voor de middelgrote Europese landen een inconsistente speler, zelfs binnen de NAVO. Dit maakt de Europese landen onder meer kwetsbaarder voor Russische agressie. Als gevolg hiervan wil de EU een steeds belangrijkere rol gaan spelen als veiligheidsorganisatie. In dit scenario zullen de EU-lidstaten geen andere keuze hebben dan per geval met China samen te werken of zelfs parallelle multilaterale structuren te creëren.

Nederland dient in eerste instantie die instellingen te identificeren die er het meest toe doen. Aangezien Nederland de mondiale instellingen niet alleen kan hervormen, dienen de regionale instellingen die van direct belang zijn voor zijn economische en territoriale veiligheid prioriteit te krijgen. Via deze instellingen kan Nederland trachten de mondiale instellingen te hervormen.

Dit vereist dat Nederland:

- Met een nieuw narratief komt waarmee het belang en de opbrengsten van het multilateralisme in tijden van grote mondiale veranderingen inzichtelijk wordt gemaakt en richting wordt gegeven aan de modernisering van het stelsel (paragraaf 5.4).
- De op regels gebaseerde mondiale orde met gelijkgestemde landen tracht te versterken door in te zetten op vergroting van de transparantie, accountability en wendbaarheid van de instellingen (paragraaf 5.5).
- In (VN-)vredesmissies en conflictpreventie blijft investeren om de regionale stabiliteit en de mondiale invloed van Nederland te vergroten.
- Bepaalt welke functionaliteiten van het multilaterale systeem koste wat kost behouden moeten blijven en welke multilaterale organisaties daarbij het meest relevant zijn. Prioriteit hebben die instituties die van directe invloed zijn op de Nederlandse welvaart en veiligheid. Dit zijn de EU en de NAVO.
- Regionale instellingen als de EU gebruikt als ‘stepping stone’ voor hervormingen van de mondiale instellingen zoals de VN en WTO.
- Prioriteit geeft aan de versterking van handelsregels. Daartoe dient de WTO te worden gesteund en hervormd. Tevens dienen indien nodig haar functionaliteiten door alternatieve structuren te worden ondersteund, zoals de MPIA, voor het geval de WTO verzwakt of verdwijnt.
- Europese Strategische Autonomie (ESA) omarmt om van de EU een krachtigere geopolitieke speler te maken. Dit is noodzakelijk om de Europese pijler binnen de NAVO te versterken of een alternatief te bieden voor het geval de NAVO erodeert.
Het vermogen om op Europees niveau zelfstandig te kunnen beslissen en vrij te handelen in een onderling afhankelijke wereld dient daarbij het leidende principe te zijn.

- De toegang tot de interne markt van de EU en een handelsakkoord naar China toe gebruikt als hefbomen voor wederkerigheid en normstelling.
- De rol van de EU als normbepaler versterkt en de Europese weg benadrukt als alternatief voor het hegemoniale beleid van China en de VS.
- Samen met Frankrijk en Duitsland inzet op de versterking van de Multilaterale Alliantie van gelijkgestemde landen.
- Samenwerkt met niet-statelijke actoren en prospects om het multilateralisme te versterken en om normvorming op verschillende gebieden, waaronder mensenrechten en handelspraktijken, te versterken.

Tot slot verdient aanbeveling dat Nederland in navolging van het White Paper van Noorwegen en de audit van Australië een eigen strategie ter versterking van het multilateralisme ontwikkelt. Hierin kunnen de bovenstaande aanbevelingen en inzichten als uitgangspunt worden genomen. Minimaal dient te worden aangegeven welke multilaterale organisaties prioriteit hebben en welke gevolgen dit heeft in termen van financiële contributies en de inzet van diplomatieke capaciteit.
1. Introduction

We are currently witnessing the partial breakdown of the multilateral system. Established after the Second World War, the present system reflects Western preferences and liberal internationalist beliefs. After the end of the Cold War the present multilateral system was accepted, at least on paper, by most countries around the world. However, during the second decade of the 21st century, the foundations of the so-called Western liberal world order began to crumble because of global power shifts and domestic challenges.

The partial breakdown of the system poses considerable challenges for middle powers such as the Netherlands. During the last seven decades, institutionalized international cooperation allowed them to protect their interests collectively and restrain great powers. For this reason, multilateralism has been a cornerstone of Dutch foreign policy for many decades. The demise of multilateralism would eliminate a pillar of Dutch foreign policy. For Dutch policymakers, this poses the following dilemma:

1. As multilateralism binds big and small countries to the same set of rules, the multilateral system ought to provide an effective means of tackling global challenges, ranging from peace and security to climate change and migration. But due to global power shifts, the system is changing in ways that might harm Dutch interests. At the same time, the Netherlands is not powerful enough to uphold the status quo by itself.
2. Due to the rise of sovereignism, parts of the political spectrum are immune to facts and so-called technocratic arguments. This makes it difficult to convince some of the need to invest in upholding the present multilateral system.

This study attempts to shed light on the demise of multilateralism and the consequences for the Netherlands. It explains the changing nature of multilateralism and its value for the Netherlands and considers its future. Preserving the multilateral system requires understanding the value of multilateralism. It also entails developing a new approach to international cooperation. Therefore, the study proposes a new narrative to justify efforts to maintain, strengthen, and adapt the multilateral system. In a series of Annexes, the study explores in detail the challenges facing multilateral organizations that are especially important to the Netherlands: the World Trade Organization (WTO), the UN Security Council (UNSC), and the UN’s human rights bodies.
The study concludes that, by participating in global institutions, the Netherlands can achieve some of its foreign policy objectives, including the promotion of humanitarian values and democracy, poverty reduction, and strengthening the global rules-based international order. At the same time, the Netherlands needs to work with like-minded countries to revitalize the multilateral system so that it continues to serve Dutch interests. Preserving and strengthening the multilateral system requires more diplomatic power, which can best be harnessed through the European Union (EU) and, to a lesser extent, the North Atlantic Treaty Organization (NATO).
2. What is multilateralism?

2.1 Multilateralism

The western interpretation of multilateralism is based on liberal internationalism. G. John Ikenberry argues that the logic of liberal internationalism is ‘captured in a cluster of five conditions’: openness in terms of trade and exchange; commitment to a rules-based set of relations; some form of security cooperation; the idea that power politics can be ‘tamed’ by building stable relations in pursuit of mutual gains; and finally, that liberal internationalism will foster the spread of liberal democracy.¹

Multilateral cooperation can be achieved in two ways: the ‘inter-nation’ mode, in which nations guard their own sovereignty, with membership in institutions such as NATO; and the ‘supranational’ model, through institutions such as the EU, in which nations relinquish some of their sovereignty in return for additional prosperity and stability.²

The distinction between instrumental and functional multilateralism is also relevant. Great powers, especially superpowers, tend to practice instrumental multilateralism, while smaller powers are more likely to engage in functional multilateralism. From the perspective of a superpower, multilateralism is a way to achieve some degree of hegemony.³ This is based upon the belief that multilateral cooperation is difficult to attain because states have different interests which cannot be aligned easily. Indeed, for the US, an important reason to create multilateral institutions after the end of World War II was the desire to shape world order and exercise global leadership.

Major powers believe that international institutions and the international rule of law should in all instances serve their interests. When this is no longer the case, they tend to conclude that the rules-based international order should be modified or abandoned. For that reason, the Trump administration, which believes that the WTO is broken and no longer serves US interests, is not willing to allow the appointment of judges to the WTO’s appellate body. The same holds true for NATO. Early 2019, The New York Times

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³ This perspective is the foundation of the realist school of thought. See Kenneth Waltz, “Globalization and governance,” *Political Science and Politics* 32, no. 1 (1999): 693-700.
reported that US President Donald Trump had, on several occasions, discussed with advisors the possibility of withdrawing from NATO. Trump’s behavior demonstrates that even a founding and leading member of an organization may be willing to destroy it if convinced that the organization no longer serves the national interest. To be sure, most US policymakers and most of the public still favor an internationalist foreign policy and continued participation in the rules-based international order. But we should not forget that Americans tend to view institutions in instrumental terms. To an extent, this explains the dramatic swings we have seen in US policy in recent years between internationalism and nationalism: successive presidential administrations have approached world affairs with diametrically opposing world views.

To further complicate matters, even most US policymakers who embrace multilateralism do so within the context of global power shifts. More specifically, the so-called pivot to Asia, which began during George W. Bush’s tenure and which Barack Obama made an official policy in 2011, was the first US attempt to account for the rise of China. It was also based upon the belief that Europeans could and should take more responsibility for their own security. Not coincidentally, the pivot to Asia coincided with growing US willingness to support at least a degree of European strategic autonomy. Though this transition to a more balanced vision of the transatlantic relationship is in Europe’s long-term interest and enjoys the support of many European policymakers, it has mostly taken place according to terms and a timetable determined by the US. The discomfort of this reality has been compounded by the Trump administration’s hostility to European strategic autonomy and to inter-European cooperation in general – even as the US president berates Europeans for not spending more on defense.

In contrast to those who view multilateralism as difficult to sustain because of conflicting state interests, many observers believe that multilateral cooperation generates peace and prosperity and see multilateralism in functional terms. Smaller states cannot make policy decisions in the same fashion as the US president. They lack the necessary power to act like a hegemon, so they are usually reactive and prefer the status quo. Through multilateralism, small and middle powers can restrain more powerful nations and gain additional influence.

The view that multilateralism leads to peace and prosperity dovetails with the argument that cooperation is mutually beneficial and can be sustained by creating

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institutions. Some scholars go even further and contend that international cooperation can transform international relations. They point to the European process of integration, which led to new forms of multilateralism. These ideas have been particularly influential in the rich, developed, middle power democracies in Europe, including the Netherlands, that have global economic and security interests and share liberal internationalist values.

For these countries, multilateralism means following rules even when it is not in a state’s short-term interest. This is not a matter of altruism but is based on the belief that multilateralism pays in the long run. However, great powers see things differently; they tend to view multilateralism in terms of an immediate cost-benefit calculus. The incompatibility of the instrumental and functional views of multilateralism largely explains the present tensions between Europe and the US and suggests that we can expect tension between Europe, on one hand, and China and Russia, on the other. For small and middle powers, the erosion of the WTO is dangerous because it undermines the rules-based system, which is crucial for a trading nation such as the Netherlands.

What, then, is a good working definition? For the purposes of this report, we contend that multilateralism is based on: (1) the importance of rules, (2) inclusiveness in terms of the parties involved or affected, and (3) voluntary cooperation that is at least somewhat institutionalized.

### 2.2 The multilateral system

In its present form, multilateralism can be traced to a 1941 meeting between British prime minister Winston Churchill and US president Roosevelt. In a joint statement outlining US and British goals for the post-World War II era, multilateralism served as a guiding principle. After 1945, with the US serving as the driving force, there was a proliferation of multilateral agreements. These included the UN, the WTO, the Bretton Woods institutions (International Monetary Fund, or IMF, and the World Bank), NATO, and the European Recovery Program (ERP). Popularly known as the Marshall Plan, the ERP was widely viewed as a first step towards European integration.

The world order reflects the distribution of power at a given moment in time, so global power shifts have a major impact on the international system. The nature of

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8 This is characteristic of the constructivist school of IR theory. See Alexander Wendt, "Social Theory of International Politics," (New York, Cambridge University Press, 1999).

the transformation in the current system is the foremost question in international politics. If the United States allows China to improve its position within the system, the adjustment is more likely to be peaceful; if both countries embrace strategies based on military competition and interference in each other’s spheres of influence, it is more likely that the transition will be violent.

If President Trump’s current policies – including his attempts to decouple the US and Chinese economies, the ongoing trade war, the banning of Chinese companies from the US 5G network, and his pressure on allies to reject China’s Belt and Road Initiative – continue unabated, a confrontational transition is more likely. China’s increasingly aggressive agenda, which has been especially apparent during the COVID-19 outbreak, is also making conflict more likely. In recent months, China tried to bolster its soft power by providing medical aid to a number of European countries, expelled US journalists, increased control over the South China Sea and Hong Kong, became embroiled in border skirmishes with India, and unleashed a propaganda campaign designed to disguise its shortcomings in controlling the virus. Ironically, the extent of the escalating competition between China and the US highlights the fact that nuclear powers make all-out hegemonic war extremely dangerous and potentially less likely.

For Europeans, the threat to the system became urgent when its leader, the US, appeared to abandon global leadership and reject international cooperation and instead sought bilateral agreements and new multilateral agreements that narrowly reflect US interests. Trump made his position clear during a September 2019 speech to the UN General Assembly. The nationalistic speech constituted a direct attack on multilateralism. The president stated that “The future does not belong to globalists. The future belongs to patriots. The future belongs to sovereign and independent nations who protect their citizens, respect their neighbors, and honor the differences that make each country special and unique.” The president’s speech highlighted the tension between multilateralism and nationalism and made it clear that he views international relations as a zero-sum game.

In Europe, multilateralism is further challenged by nationalistic and protectionist tendencies within the EU and a general lack of solidarity among EU-member states. These problems were particularly acute during the 2009 financial crisis and the 2015 refugee crisis and have again surfaced during the COVID-19 pandemic.

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The notion that the world is becoming more dangerous – even Hobbesian – is supported by the *Strategic Monitor 2019 – 2020*. This study found that the world has not become more secure in most categories, as can be seen in Figure 1. The share of the European populist vote increased from 14% in 2000 to 24% in 2019 – an increase of nearly 70%. Trends within the identity sector – which addresses the question of whether the world has become more inclusive or more polarized – are almost universally negative. Trust in democracy has decreased. Measures of financial satisfaction, informational connectedness, and the volume of international exchange have all sunk. Insecurity is on the uptick. The number of active conflicts has risen significantly, driven primarily by an increase in the number of intrastate and internationalized intrastate conflicts. Global military spending increased in absolute terms. The picture presented in the *Strategic Monitor* is that of a world no longer administered by responsible leaders, effective diplomacy, and resilient institutions, but exposed to the forces of populism, nationalism, and anti-globalism. These forces put the entire multilateral system at risk.

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<table>
<thead>
<tr>
<th>Domain</th>
<th>Observation Level</th>
<th>Indicator</th>
<th>All available dates</th>
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<td>Number of active conflicts</td>
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</table>

Total number: 36
Total: 14
Total: 17
Total: 5
Total: 0.82

Figure 1. Overview of geodynamic trends. (Source: Strategic Monitor 2019-2020)
2.3 How the multilateral system is organized

Multilateralism consists of formal organizations, ad-hoc arrangements, international law, and regimes. Together, they form the international rules-based order. Stephen D. Krasner defined international regimes as “Implicit or explicit principles, norms, rules and decision-making procedures around which actors’ expectations converge in a given area of international relations”. As regimes are a response to the need to harmonize behavior of states around a specific issue, they are part of the multilateral system. The Biological Weapons Convention and Paris agreement on climate change are examples of international regimes. The G20 is an example of an ad hoc arrangement. Today, regimes are represented in almost all aspects of international relations. Like other forms of multilateralism, regimes are founded on the belief that the participants share interests and a commitment to diffuse reciprocity.

The present multilateral system consists of different layers. The systemic level of global governance includes the UN, the World Bank and IMF, the WTO, and fora such as the G20 and G7. The UN is a central component of this global architecture, with headquarters in New York, Geneva, Nairobi, and Vienna and covering a wide range of agencies and bodies including the World Health Organization (WHO), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Development Programme (UNDP), the International Civil Aviation Organization (ICAO), the International Fund for Agricultural Development (IFAD), the United Nations Children’s Fund (UNICEF), and the Food and Agriculture Organization (FAO). These organizations cover issues such as health, migration, refugees, human rights, sustainable development, child welfare, and agriculture and food. As the only global organ dealing with peace and security, the UNSC is crucial for reducing tension among the major powers and contributes to the peaceful settlement of disputes. Also, at the global level, the WTO administers an open trading system based on multilaterally agreed rules.

Global organizations are complemented by regional multilateral organizations. In the case of the Netherlands, the most relevant organizations are the EU and NATO; the Council of Europe and the OSCE also play important roles. In other regions, there are multilateral organizations and fora as well such as the African Union, the Association of Southeast Asian Nations (ASEAN), and the Arab League.

In sum, multilateralism, in its present incarnation, reflects Western preferences. This explains why the non-Western world, aided by the global power shift, seeks to change the system both from within and by creating alternative structures. As the

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multilateral system reflects global power distribution, multilateralism is challenged by global power shifts, different value systems, and alternative views on multilateral cooperation. As a new major – and potentially hegemonic – power, China's rise will influence the evolution of the multilateral system.

2.4 Chinese views on multilateralism

Inevitably, rising powers challenge the existing order.\textsuperscript{13} This was not particularly disruptive when hegemonic power shifted within the West, from Great Britain to the United States. However, China practices state capitalism in economic terms, is autocratic in political terms, hierarchic in social terms, socialist in ideological terms, and Confucian in “religious” terms. This stands in contrast to the Western order, which is based on free market economies, democracy, equality and (historically) Christian values. Chinese politicians and scholars believe that a new world order, preferably including “Chinese characteristics”, must better reflect Chinese priorities, preferences, and beliefs. Consequently, if the world order shifts to accommodate China, it could become more mercantilist, protectionist, transactional, and focused on power politics. As traditional views on sovereignty and non-interference gain traction, the promotion and defense of democracy and human rights will become more difficult. Moreover, whereas the rule of law is a founding principle of liberal Western democracies, “rule by law” is emphasized by the Chinese leadership. In the West, law is conceptualized in terms of accountability, but in China law is an instrument for control.

China has improved its global position by simultaneously accommodating US hegemony and contesting its legitimacy. China has embraced a more ambitious international agenda, even as it denounces US hegemony and promotes multilateralism. Consistent with its instrumental view of multilateralism, China is undermining the US by voting against it in international organizations, while seeking to improve its soft power through international engagement, in the form of peace keeping operations, evacuation operations – such as in Libya in 2011 – and providing humanitarian aid, as during the COVID-19 crisis. Yet China is also promoting a different kind of multilateralism, one that is distinct from the Western version. This includes circumventing multilateral trade rules and international law.

The challenge China poses to the WTO is a case in point. As is explained in Annex 1, the WTO’s current set of rules are not designed to accommodate an economy in which it is impossible to identify the boundaries between private companies, state-owned enterprises, the Chinese Communist Party, and a complicated set of hierarchies and informal networks. China’s economic system allows, for instance, Chinese firms to

receive preferential treatment from state-owned banks and enterprises. The Chinese system also facilitates informal discrimination against foreign firms; technology transfer that is, to one degree or another, involuntary; and regulatory decisions that disadvantage foreign firms. Chinese intelligence has aggressively, and often successfully, sought to steal foreign technology with a mix of military and commercial applications. Taken as a whole, this system puts foreign companies at a significant disadvantage relative to Chinese competitors, and Beijing has not been willing to introduce fundamental reforms.

Other examples of China’s divergence from Western conceptions of multilateralism include its rejection of the rules of the International Labor Organization (ILO) on human rights in the workspace and its non-adherence to the UN Convention on the Laws of the Sea (UNCLOS), which is causing alarm in and around the South China Sea. In 2016, the International Court of Arbitration rejected China’s claims of sovereignty over the islands in the area, but Beijing refused to accept the ruling.

China does not reject multilateralism altogether. Instead, it participates in fora that serve Chinese interests and boosts its influence by taking a more active role in those organizations. In response to the Asian financial crisis in the late 1990s, Beijing embraced multilateral cooperation in order to stabilize the region. This included initiatives such as ASEAN plus 1 and ASEAN plus 3. In other cases, it has established parallel programs and institutions designed, at least in part, to challenge the West. Examples include the Belt and Road Initiative, the Shanghai Cooperation Organization, as well as the New Development Bank and the Asian Infrastructure Investment Bank, both of which frequently are viewed as competitors of the World Bank.

Most importantly, China is trying to reform international financial institutions and to diversify the international currency regime. Proposals to this end, by President Hu Jintao during the 2008 G20 summit, led nowhere, but China is taking steps to enhance the status of its currency and to improve regional lending capacity. For example, China, together with ten ASEAN countries, Japan, and South Korea, is a member of the Chiang Mai initiative, a currency swap initiative that supplements the lending facilities of the IMF.

The impact of Chinese views of multilateralism is multifaceted. On one hand, Chinese scholars maintain an instrumental view of multilateralism. On the other hand, Chinese scholars have a more holistic and dynamic view of international relations. Some characterize the relations among states as interrelatedness. Others are influenced by the ancient imperial concept of tianxia (which can be translated as all under

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heaven), which is increasingly prominent in public and scholarly debates. Its modern interpretation was popularized by Zhao Tingyang. He argued that the tianxia system diverged sharply from Western thinking, which emphasized differences and conquest. Instead, the tianxia system emphasizes harmony and conversion to overcome disorder and chaos. Zhao argues that tianxia is “about transformation: transforming enemies into friends and many into one”.

The starting point for many Chinese thinkers is not individual actors and their relationships, but the overall system. They look at the dynamics of the system and then predict the behavior of states. This allows them to formulate policy options that fit the dynamics of the system and the resulting roles within it. From the Western perspective, it is tempting to view this approach as a recipe for an international system dominated by the Chinese communist leadership.

Yet it would be a mistake to conclude that China seeks world supremacy. Rather, it prefers a system in which differences are accepted. For that reason, the ideal Chinese system does not contradict the normative objective of “sovereignty-based” multilateralism, which embraces multilateralism, provided it does not affect the sovereignty of the state and accepts the principle of non-interference.

Like the US, China maintains an instrumental view of multilateralism and does not respect rules and norms when those run contrary to its interests. Consequently, China is becoming more assertive in promoting its own economic model of state control and mercantilism. This is what can be expected from an emerging superpower seeking to enhance its global position. However, it also means that multilateralism with Chinese characteristics will conflict with European interests and values. China is too large and powerful to isolate, so Europe must develop a strategy that allows it to, on one hand, retain its commitment to democracy, human rights, the rule of law, and an open, rules-based international trading system, and on the other hand, develop a constructive relationship with Beijing.

2.5 Multipolarity and power shifts

Due to the rise of China, world order will become less Western in nature. China rejects Western values such as democracy, human rights, and sovereignty, or at least the Western interpretation of these concepts, but it also believes that the present liberal rules-based order – which it views as an instrument for promoting Western

interests – should be changed. (New) hegemons want international institutions to adapt in ways that reflect their interests and values. They question the legitimacy of Western dominance and reject Western values and the West’s interpretation of international law. To an extent, Russia shares China’s view of the current system. Russian policymakers and analysts reject the premise of a rules-based international order. They acknowledge the existence of international law, but they consider the rules-based order to be a cynical invention designed to amplify the West’s power.

Clashing value systems and interests create tensions within the multilateral system and could ultimately destroy it. In the West, there is a tendency to ignore the grievances of others and to view Western values as universal and the Western version of multilateralism as an established fact. Crises, however, have the tendency to accelerate change. During the global financial crisis, the West became preoccupied with saving the euro and the EU. This gave China and Russia more leeway in their foreign policies and formed part of the context for both the annexation of Crimea by Russia and China’s increasingly assertive actions in the South China Sea.

Although it is too early to understand the consequences of the COVID-19 crisis, it is likely that the pandemic will facilitate a similar dynamic. By providing medical aid to countries such as Italy, China has sought to enhance its soft power. Russia sent aid to Italy as well. Both countries have mounted disinformation campaigns about the virus; in addition, Russia’s information operations are designed to weaken NATO and the EU. Belatedly, European governments responded with aid for the worst-affected countries and European leaders agreed upon a financial support package, but by that point the political damage had been done.\(^{17}\)

There is ample evidence that power transitions produce international friction. In his historical analysis of sixteen global powers shifts, Graham Allison found that in twelve cases, war resulted (though he also argued that states with nuclear weapons will be deterred from direct conflict).\(^{18}\) During power shifts, declining countries seek to maintain their position, whereas rising countries resist attempts to constrain them. Moreover, there is a much greater chance of misinterpreting intentions in a multipolar global system. Misinterpretation of other states’ intentions is a major cause of conflict in international relations. Leaders also tend to underestimate the effects of their actions on the leaders of other countries.

The shift of economic, military and political power to the East will affect the West’s ability to influence the rules of international relations, protect its interests, and promote its values, including the maintenance of the current multilateral system. One

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consequence of this shift has been damage to Western soft power – essentially the ability to co-opt and attract. Though Europe and the US remain ahead of authoritarian states in this area, in recent years the gap has closed as a result of various domestic challenges, including economic problems, anti-immigrant sentiment, and the rise of populist leaders such as Trump. Meanwhile, China has invested significant resources in its soft power, especially when it comes to its standing with low and medium-income countries. Though the returns on this investment remain modest, it would be naïve of Western policymakers to rest on their laurels, not least because global trends do not seem to be on the side of democracies: in 2019 Freedom House found that global freedom was in decline for the 14th consecutive year. ¹⁹

China’s concerted efforts to boost its standing among low and medium-income countries should concern the West. The world is becoming less free and democratic, so efforts to promote human rights and democracy will face an increasingly inhospitable environment. This dynamic will be reinforced by the determination of countries such as China and Russia to resist any interference in the domestic affairs of other countries.

The push by China and Russia to discourage international action designed to address human rights abuses has sobering implications for the feasibility of humanitarian interventions. It will also affect legal concepts such as the Convention on the Prevention and Punishment of the Crime of Genocide and Responsibility to Protect (R2P), a doctrine grounded in the Western conception of human rights that has been adopted – reluctantly, in some cases – by all UN member states. ²⁰ This raises practical, political and psychological challenges for the West, where views of international security have, in recent years, increasingly emphasized the rule of law and human (as opposed to national) security.

These questions about the future of international human rights laws and norms prompted the Dutch Ministry of Foreign Affairs to establish an expert group on the subject. The group examined the question of providing political support to unmandated – and technically unlawful – humanitarian interventions by other countries. The group acknowledged that “supporting unlawful actions risks the erosion of the international legal order and may encourage future unlawful behavior”. Nevertheless, the group concluded that, in some cases, the Netherlands should support


the unlawful use of force by states for humanitarian purposes. They acknowledged that China and Russia, both of which have veto power on the UNSC, are likely to refuse mandates for such operations more often, giving the Dutch government no choice: “Having taken the legal and political risks and consequences into account, the government may nonetheless find that there are compelling reasons to offer political support to an intervention even though they regard it as unlawful”.  

Another troubling development for efforts to protect human rights is that UN peacekeeping operations increasingly face significant challenges. As is explained in Annex 2, at present fourteen UN operations are in progress. Over time, expectations about the organizing principles of these operations have changed. Concepts such as impartiality, which has long been a key tenet of peacekeeping, have begun to shift. The distinction between peacekeeping and peace enforcement has become blurred, while troops deployed lack the requisite equipment, intelligence, logistics, capabilities, and specialized training.

2.6 The role of middle powers

Non-major powers will be most affected by the evolution of the multilateral system. Middle powers are neither strong nor weak in terms of hard power, economic power, and political influence. In general, they are industrialized, rich, liberal democracies. Most importantly, they lack the ability to influence unilaterally world order and to protect their interests worldwide. They are usually resistant to coercion but lack the means to coerce others and to change the system from within. Nevertheless, they play a vital role in global politics as counter-balancers and stabilizers. They consider norms and values to be crucial in international relations and need allies to protect their territorial integrity and the international rule of law. This explains why, when it comes to world order, middle powers usually prefer the status quo.  

Some analysts, such as Robert Kagan, consider multilateralism to be the “weapon of the weak”, because only nations lacking power to impose solutions on others seek multilateral arrangements. However, this school of thought overlooks the fact that, collectively, middle powers can act as a superpower. The EU represents a case in point. By ceding a degree of sovereignty to a supranational body, European middle powers

have collectively accrued a formidable degree of influence in economic terms and in the areas of standards and norm setting.

One of the reasons for Trump’s hostility is the degree to which the EU’s power has allowed it to withstand US pressure. He argues that “Europe has been treating us really badly. The European Union was really formed so they could treat us badly.”

His demand that all major trading partners re-negotiate favorable bilateral or regional trade agreements with the US has, in the case of the EU, been stymied by the fact that Brussels is mandated to reach trade agreements on behalf of all member states.

2.7 Multilateralism challenged

In Europe, the COVID-19 outbreak highlighted some of the limits of multilateralism. For example, in the EU healthcare is a national responsibility. Consequently, all member states developed responses that reflected national priorities. Some actions violated the basic principles of the EU, including the free flow of people and goods. Others revealed protectionist and nationalistic tendencies. Six EU Member States imposed export bans on medical equipment (Italy, Bulgaria, Romania, Poland, the Czech Republic, and Slovakia). Twelve member states have reinstated internal borders and France nationalized its supplies. The Dutch cabinet’s unwillingness to support Italy’s request for unconditional financial support also drew criticism. Many commentators characterized these developments as evidence of the EU’s weakness.

Brussels did try to coordinate the distribution and procurement of medical aid, but its main responsibility was economic in nature. Officials in Brussels assembled an unprecedented rescue package for vulnerable member states. This package - Next Generation EU – was designed to preserve the internal market. The COVID-19 crisis could thus be a defining moment for the EU. Public perceptions of solidarity among the member states will influence trust in the EU. In addition, the way it handles the economic crisis following the COVID-19 crisis will also affect the EU’s legitimacy.

Some commentators believe that the COVID-19 outbreak will ultimately lead to new forms of international cooperation. G. John Ikenberry argues that “the response [to the crisis] might be more nationalist at first, but over the longer term, the democracies will come out of their shells to find a new type of pragmatic and protective internationalism.”

First, the relative decline of the West has been accelerated by political and societal polarization in the United States and Europe, meaning that democracy has become less effective at solving big problems. Around the world, policymakers and voters are growing increasingly skeptical about the merits of more intensive international cooperation. There are many reasons for this, but one contributing factor is the 2007-2008 global financial crisis, the subsequent bank bail-out, and the widespread perception that neoliberalism has warped the international economy. There is a palpable sense in many countries that international institutions enjoy too much influence and are no replacement for national governments.

Some consider multilateralism undemocratic because global governance “is distant, elitist, and technocratic”. They argue that global governance is overly bureaucratic, detached from domestic democratic institutions, lacks sufficient input from ordinarily citizens, and is dominated by rich and powerful countries. The result, goes the argument, is that democratic accountability is undermined -- as in the case of the EU’s so-called democratic deficit -- and the public will is thwarted.

Opposition to multilateralism is reinforced by the fact that, in many middle powers, the moderate political center has declined. This reflects a polarized public that, for instance, increasingly rejects free trade arrangements. The rejection of the Trans-Atlantic Trade and Investment Partnership and the Dutch referendum on the EU-Ukraine Treaty are examples of this sentiment, which has become mainstream in many middle powers. The trend is also visible in the US, where bipartisanship has become increasingly rare.

Second, populism is bad for multilateralism. Populism offers an alternative to technocracy, one that purposefully disregards the complexity of the interdependent world. It tends to offer a simple narrative (Take Back Control, America First) that mobilizes voters disappointed by the results of technocratic policies that have long prevailed in industrialized democracies. During the Brexit debate, a persuasive narrative explaining the value of multilateral cooperation in the EU was absent. A 2012 audit of what the EU does and how it affects the UK, the so-called review of the Balance of Competences, failed. The review consisted of 32 studies but lacked a summary and convincing narrative.

The urge to “take back control” was the cornerstone of the Brexit movement. Brexit demonstrates that ideology and an aversion to expertise and evidence can weaken the multilateral system and harm individual countries. One crucial discussion missing

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from the 2016 debate in the UK was the threat withdrawing from the EU posed to the UK, a relatively small, open economy dependent on trade. The same holds true for the Netherlands, which is a small, open economy even more dependent on trade than the UK. This was demonstrated during the debates that resulted in the rejection of the EU “constitution” in 2005, the EU-Ukraine Association Agreement in 2016, and the 2020 rejection of the EU-Mercosur trade agreement.

Third, sovereignism (from souverainisme) is emerging as an extreme form of anti-multilateralism. As an ideology based on zero-sum nationalism, it represents the antithesis of multilateralism.\textsuperscript{28} It stresses the importance of preserving the political independence of a nation or a region. It opposes federalism, supranational institutions, and multilateral trade agreements and prefers bilateral trade agreements and protectionism. Sovereignist ideology is at the heart of populism, which is a rhetorical style that pits the people against the “corrupt” elite. Most European populist parties support anti-immigration policies, are skeptical about the benefits of EU membership, defend the traditional or national way of life, wish to strengthen or reinstate border controls, and want to take back control over national policymaking.\textsuperscript{29}

Sovereignism relies upon fears that prosperity, security, and identity are under threat and argues that differences between countries must be respected. According to scholars such as Ronald Inglehart and Pippa Norris, since the 1970s inequality in advanced industrial economies has significantly increased, even as job security and real income for a large part of the population has decreased. This sense of declining existential security\textsuperscript{30} has coincided with a large increase in immigration and refugees. The 2007-2008 financial crisis, the European migrant crisis, and terrorist attacks during the mid-2010s amplified this long-term trend and dramatically heightened pre-existing skepticism of distant authority and expertise as well as hostility to the wealthy and powerful. Hence, by putting the nation-state first, populist leaders appear to offer protection from a hostile outside world.

President Trump’s attempt to decouple the US and Chinese economies is a prominent example of sovereignism. His vision would necessitate undoing decades of cultivating closer economic relations with China and disentangling a complex web of interdependencies.\textsuperscript{31} As a result of the COVID-19 crisis, many are also calling for reducing the degree to which Europe is economically dependent on China. In both

\textsuperscript{28} ‘Sovereignism’ is the English equivalent of the French neologism ‘souverainisme’. The term has yet to be accredited by the Oxford English Dictionary, presumably because its use is still rare among Anglophones.

\textsuperscript{29} Stephan de Spiegeleire, Clarissa Skinner and Tim Sweijs, “The rise of popular sovereignism,” (The Hague: HCSS, 2017). Figure 1.2, 17.


cases, large sections of society have concluded that global economic integration has been, on balance, bad for people like them. In truth, reversing the process of economic integration would reduce economic growth. Economic decoupling could also lead to the emergence of competing blocs. This would create a hostile climate for trade and investment and, more broadly, be politically destabilizing.

The changing international context and the rise of sovereignism raises a pressing question about the future of middle powers: can they continue to function as counter-balancers and stabilizers? A large body of evidence demonstrates the gains of integration and interdependencies, while an equally impressive body of research is devoted to the negative consequences of zero-sum nationalism and protectionism, including the type of decoupling that EU and US policymakers are contemplating. The 1920s and 1930s – when globalization collapsed and interdependencies unraveled – serve as a sobering example in this regard. Indeed, the present multilateral system was designed after World War II to counteract the devastating consequences of that era.

Anti-multilateralism and sovereignism are not against international cooperation per se. Instead, sovereignist thinkers oppose forms of multilateralism that they believe weaken national sovereignty. However, this view of multilateralism is misinformed. In truth, as proponents of multilateralism understand, delegation and pooling of sovereignty allows states to achieve policy goals they could not achieve on their own. Practiced correctly, multilateralism serves the public interest and officials who represent the countries in question are elected by national constituencies. It creates benefits in terms of prosperity, security, and political influence. One potential result of these conflicting visions could be a hybrid form of multilateralism, wherein the process of integration comes to a halt but international coordination, without interference in domestic affairs, continues.

All of this constitutes an important challenge for the European Union, which would not exist without effective multilateralism and which considers it to be essential to European security and prosperity. But the legitimacy to organize that cooperation primarily belongs to states.
3. The value of the multilateral system

In an analysis of the value of the multilateral liberal order, the Rand Corporation concluded that it provided a significant return on investment for the United States.\textsuperscript{32} The RAND study represents one of the few attempts to measure the health of the multilateral system. The report focused on three areas: security, economics, and norms and values. It used the following benchmarks to measure the order’s value:

- Economic order: promote prosperity by creating a supportive environment of trade and financial integration, economic stability, and development. This was initially done through the World Bank, and IMF as well as the GATT, that in 1995 formed the basis for the WTO. Cooperation was founded on shared views of the global economy and joint goals, including monetary stability. The authors conclude that the “broad, precedent-setting, and principle-reinforcing function is arguably the single most important role of the postwar economic order”.\textsuperscript{33}

- International security: prevent major power conflict and manage competition. The authors found that multilateral security cooperation changes the risk calculus for would-be aggressors and can restrain aggression among partners in an alliance – in other words, the internal and external pacifying function of alliances.\textsuperscript{34} Both the EU and NATO were created with those functions in mind.

- Norms and values: facilitate collective action to achieve meaningful progress on shared challenges. The authors argue that the order depends on the acceptance of the rule of law as a common good. This includes, for example, norms of transparency and anticorruption. It also entails advancing human rights, which is done through various organizations and conventions which comprise the international human rights regime.

The authors make a cost-benefit calculus on the expenses incurred by contributing to international organizations and activities and the gains in economic and security terms. The RAND report estimates the annual cost of US leadership in upholding the multilateral system to be $116 – 216 billion. This includes membership in international organizations, the costs of diplomacy, and foreign assistance. The benefits are substantial. For example, postwar tariff reductions resulted in 2 - 5% extra annual growth and more than 300,000 jobs.

\textsuperscript{33} Mazarr and Rhoades, Testing the Value, 39.
\textsuperscript{34} Mazarr and Rhoades, Testing the Value, 41.
3.1 The Netherlands and multilateralism

The most recent Dutch government agreement argues that the international rule of law and cooperation within international organizations such as NATO, the EU, and the UN serve the national interest. Accordingly, the latest incarnation of the international security strategy seeks to reinforce the international rule of law, international security cooperation, and maintain robust border controls. In the National Security Strategy, the rule of law is considered a vital interest. In other words, the Netherlands attaches great importance to international cooperation to counter threats and challenges. This approach is in line with liberal internationalist thinking.

Despite disagreements about the degree of consistency in Dutch foreign policy, most policy choices are at least partly based upon recurring approaches or traditions. Several are relevant to this study. The first is a legal approach. This goes back to Hugo Grotius, who in the 17th century was one of the founders of international law. Dutch interest in international law has persisted in subsequent centuries. As a trading nation, the Netherlands has always attached value to a strong international legal order to ensure stability. Except for the brief period of the Golden Age, in the 17th century, the Netherlands has never possessed the military power to defend its interests. This legal tradition explains why successive governments have promoted The Hague as the world capital of international law. Numerous international organizations maintain headquarters in The Hague, including the UN Organization for the Prohibition of Chemical Weapons (OPCW), the Yugoslavia Tribunal (ICTY), the International Court of Justice (ICJ) and the International Criminal Court (ICC).

Until the beginning of World War II, it was widely believed that the national interest was best served by a policy of strict neutrality that would allow the Netherlands to avoid entanglement in major power competitions and involvement in wars. However, World War II demonstrated that this policy was unsustainable. Consequently, neutrality was replaced by multilateralism, which is the second recurring approach in Dutch foreign policy. The Netherlands was a founding member of the predecessors to the European Union, NATO, the UN, the OSCE, and the World Bank. For middle powers, the advantage of membership in such institutions is that, when functioning properly, they bring order to international relations by constraining the major powers.

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The third recurring approach in Dutch foreign policy is a maritime, anti-continental, and westward-looking focus. By tradition, the Netherlands is a seafaring nation. Already during the Golden Age, the security of trade routes and markets depended on *mare librum*. During the colonial age, this was essential to keeping overseas territories under control. There is a link between the maritime and anti-continental facets of the Dutch approach. The Dutch have always tried to remain independent from the principal continental powers, and the *Pax Britannica*, and subsequently *Pax Americana*, facilitated independence from France and Germany. NATO became the embodiment of the third approach. A glance at the location of global trading chokepoints highlights the importance of maritime security for trading nations such as the Netherlands (see Figure 2).

Finding a way to constrain the major powers through multilateral arrangements and international law has been an important theme for the previous half-century. By emphasizing the international rule of law and the role of institutions, Dutch politicians have appeared to reject power politics in international relations. In reality, the Dutch have long excelled in this area. Since the end of World War II, the Netherlands has skillfully played the transatlantic card. By doing so, the Netherlands not only remained independent from the major continental European powers, but also exercised disproportional influence in international affairs as well in international organizations such as NATO.

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Until it embraced multilateralism, foreign policy outcomes were always forced upon the Netherlands. Giving up a policy of neutrality was the consequence of the inability to stay neutral during the war. Multilateralism was the only option for remaining independent after the war. Together with the rule of law, this is the only way to create a stable and peaceful world and a foundation for prosperity. This explains why the Netherlands is a typical status quo power. Only in a stable international environment can the economy flourish and can the Netherlands avoid entanglement with the major powers. The Netherlands lacks the power to influence the course of global events. Maintaining the status quo means stability.

Incorporating the lessons of the chief Dutch foreign policy traditions is a crucial element of any narrative seeking to explain the value of multilateralism to the broader public. Until recently, the main elements of that narrative would have been clear. The status quo could be maintained through engagement with major powers outside the continent and through the depolarization of relations among other European states. Pax Britannica and Pax Americana fit this approach. Until World War II, stability was viewed in terms of neutrality. After the war, multilateralism was a prerequisite for stability and prosperity. Since World War II, transatlantic relations and membership in NATO have been cornerstones of Dutch foreign policy. There is a clear connection between the Netherlands' status as one of the world's premier trading nations and the need for stability.

However, the current global power shifts will affect the long-term factors that have underpinned Dutch foreign policy. Disregarding the trajectory of events abroad and hoping that the situation will normalize if a different US president is elected ignores the transformation of the international landscape and is a risky strategy. This requires...
Dutch policy makers to explain these changes to the public, discuss how they will affect the Netherlands, and decide which policies are required.

Responsible statecraft also requires fostering a broad understanding that the return to an anarchic international system will hurt the Netherlands. Middle powers such as the Netherlands lack the economic and military might to influence major power behavior and must rely on multilateral cooperation. The rejection of multilateralism will decrease stability and prosperity. It is no coincidence that countries who reject the international community and its institutions invariably rank among the world’s poorest. North Korea is the most extreme example of these global outcasts.

3.2 The value of multilateralism for the Netherlands

Liberal internationalism facilitated the rise of multilateralism and supranationalism, both of which are under attack by the forces of nationalism and protectionism. Those forces undermine the legitimacy and effectiveness of key institutions, especially the EU. The demise of liberal internationalism would facilitate the rise of a transactional, nation-centered system that is based primarily on bilateral agreements between states and which de-emphasizes the promotion of liberal values such as human rights and democracy.39 In other words, nationalism and protectionism undermine some of the traditional pillars of Dutch foreign policy.

Global power shifts, the rise of nationalism, protectionism, zero-sum thinking, and the demise of multilateralism could have grave consequences for the Netherlands and other middle powers. The value for the Netherlands of the WTO, the UN Security Council, the UN Human Rights Commission (UNHRC) and the Office of the High Commissioner for Human Rights (UNCHR) are analyzed in detail in three case studies that can be found in the Annexes I, II and III.

We use the framework of the RAND study mentioned above to assess the value of the multilateral order for the Netherlands. The value of multilateralism can be calculated in qualitative and quantitative terms. The costs are the contributions to international organizations and the benefits can be measured, as in the RAND study, in terms of the increase of world trade, productivity, norm-setting, and peace and security. (It is impossible to calculate the total benefits of multilateralism, because the gains are accrued not only financially, but also normatively and in terms of stability.)

The key conclusions of the annexes, along with some relevant contextual information, are listed below.

39 Etzioni, “The rising Nation-Centric System”.
3.2.1 Economic order

See Annex 1 for the case study on the WTO. Multilateral trade agreements increase exports and, more broadly, have major economic benefits.

- The statistical link between free trade and economic growth is undisputed.\textsuperscript{40} The WTO found that “tariffs on industrial products have fallen steeply and now average less than 5% in industrial countries. During the first 25 years after World War II, global economic growth averaged about 5% per year, a high rate that was partly the result of lower trade barriers. World trade grew even faster, averaging about 8% during the period”. International standardization increased productivity by between 15% and 40%.\textsuperscript{41} The collapse of the international trade system could be catastrophic for an open economy such as the Netherlands. For small, open economies, some 25% of GDP per capita depends upon the rules-based trading system.

- In 2019, the Netherlands contributed €5.4 million to the WTO, or 2.93% of the consolidated budget of the WTO Secretariat. The Bertelsmann Foundation calculated that, in exchange for its €5.4 million contribution, the Netherlands enjoyed a 2.9% boost in exports, worth more than €12 billion. Overall, Dutch GDP is 5.94%, or almost €28 billion, higher than it would be if it were not a WTO member.\textsuperscript{42}

- Trade made up only 24.2% of world GDP in 1960. That percentage increased to 58% in 2016.\textsuperscript{43} In the same period, world GDP surged from $1.367 trillion to $75.544 trillion. Consequently, in US dollars the gross value of international trade increased from $0.33 trillion to $43.8 trillion between 1960 and 2016.\textsuperscript{44} For the Netherlands, the importance of those figures cannot be underestimated and are one of the chief reasons for the nation’s current prosperity.

- The Netherlands was one of the main beneficiaries of the euro. The economies in southern Europe, with slower growth rates, were responsible for favorable exchange rates for the euro, which have boosted Dutch exports.

- The Netherlands conducts most of its trade with EU member states. The Bertelsmann Foundation found that the EU Single Market boosts per capita incomes by an average of almost €1,000 per year.\textsuperscript{45} According to the Dutch Central Bank (DNB), the per capita increase for the Netherlands is between €3,000 - €5,000 annually. In contrast, the net contribution to the EU per person is approximately

\begin{itemize}
  \item \textsuperscript{40} World Trade Organization, “The Case for Open Trade,” n.d., https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact3_e.htm.
  \item \textsuperscript{41} Mazarr and Rhoades, Testing the Value, 64-65.
  \item \textsuperscript{42} Katharina Gnath, “EU Single Market boosts per capita incomes by almost 1,000 euros a year” (Bertelsmann Stiftung, 8 May 2019), https://www.bertelsmann-stiftung.de/en/topics/latest-news/2019/may/eu-single-market-boosts-per-capita-incomes-by-almost-1000-euros-a-year/.
  \item \textsuperscript{43} World Bank, “Trade (% of GDP)” (The World Bank Data, 2017), https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.
  \item \textsuperscript{44} World Bank, “GDP (Current US$)” (The World Bank Data, 2017), https://data.worldbank.org/indicator/NY.GDP.MKTP.CD.
  \item \textsuperscript{45} Gnath, “EU Single Market boosts.”
\end{itemize}
€150. The dissolution of the Single Market would cost 7 percent economic growth. This would increase to 9 percent in the event of the Schengen Agreement’s collapse and 10 percent if the euro area were to fail.46

- Dutch trade with non-EU countries is covered by Free Trade Agreements and other arrangements. Trade liberalization of this kind is nearly impossible without the WTO.
- If trade regimes, the euro, and the EU were to collapse the short-term effects would be disastrous. Such a collapse would put all the gains from trade and integration at risk, would necessitate a costly expansion of national institutions such as border controls, and would leave the Netherlands, as a middle power, at a severe disadvantage vis-a-vis the major powers.
- Flow security is of utmost importance to the Netherlands. Flows include goods and services, information, ideas, technology, capital, people, and the environment in both physical and digital domains. Flows of information, ideas, and technology accounted for 22.9% (€158.01bn) of Dutch GDP in 2015, bolster the competitiveness of the country’s innovative sectors, and are key in propagating Dutch values internationally.
- A HCSS study concluded that flows of goods and services generate up to 67% of Dutch GDP, provide the Netherlands with strategic resources, create employment, and facilitate country-wide access to consumer goods not produced locally. Capital flows, which underpin the global financial system, are especially important because the Netherlands’ position as the world’s 18th largest economy derives, in no small part, from the comparatively massive size of the FDI flows (measured both by inward and outward investment). Population flows matter to the Netherlands because they generate revenue through tourism and help the country address labor shortages in various sectors. Finally, environmental flows play a critical role in ensuring global and regional environmental stability.
- The global economy is partially dependent on the country’s hubs. These include Schiphol Airport, the Port of Rotterdam, and the Amsterdam Internet Exchange (AMS-IX). Some of these serve as a point of transit for a massive volume of commodities (Port of Rotterdam, Schiphol Airport). They also transport people (Schiphol Airport) and data (Amsterdam Internet Exchange) between continents. This gives the Netherlands a unique and valuable position as a “systems country” within the global economy – a function which has earned it the nickname “the gateway to Europe”, and which is reflected in its world-class performance in globalization-related indices such as the WEF Enabling Trade Index (2016), the KOF Index of Globalization (2017), and the DHL Global Connectedness Index (2016). At the international level, the Netherlands scores 2nd, 1st, and 1st on these indices, respectively.

3.2.2 International security

See Annex II for the case study on the UN Security Council.

- The UNSC is the world’s only forum where major powers discuss and sometimes take action to uphold peace and security at the global level. Thus, the UNSC is instrumental in reducing the anarchical nature of international relations and its collapse would make global war and regional threats to peace and security more likely. The weakening of the UNSC is already detectable. The US has vetoed numerous resolutions expressing concern about Israel, many of them focusing on ending the Israel-Palestine conflict. Russian vetoes hindered the resolution of the conflicts in Ukraine and Syria. Working behind the scenes, China has prevented a more robust UNSC response to the Myanmar government’s persecution of the Rohingya people.

- The toll of war is enormous in terms of human suffering and economic losses. One study estimates that 770,000-801,000 people have been killed as a direct result of the post-2001 wars in the Middle East and South Asia. The number of people killed as an indirect result of these conflicts – by hunger, water loss, sewage and other infrastructural problems, and war-related disease – is likely several times higher. These wars have also had a profound impact on survivors in the region. Experts estimate that 21 million Afghan, Iraqi, Pakistani, and Syrian people are living as refugees and internally displaced persons, often in inhumane conditions. At the broadest level, according to the Institute of Economics and Peace, in 2018 violence cost the world economy $14.1 trillion. This is equivalent to 11.2 per cent of global GDP, or approximately $1,850 per person. War also harms countries not directly involved in conflict, by means of a “spillover effect”, in which conflict in one country negatively affects the economic health of neighboring countries. Hence, it can destabilize entire regions. One researcher estimates that major conflicts can reduce international trade flows by up to 67%, with exporters suffering more on average than importing nations. Such figures do not account for damage done by war to social and political development.

- Through participation in the UNSC as a non-permanent member in 2018, the Netherlands was able to exert influence disproportionate to its size and power.

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47 Neta C. Crawford and Catherine Lutz, “Human Cost of Post-9/11 Wars: Direct War Deaths in Major War Zones, Afghanistan and Pakistan (October 2001 – October 2019) Iraq (March 2003 – October 2019); Syria (September 2014-October 2019); Yemen (October 2002-October 2019); and Other,” Costs of War, Brown University, November 13, 2019.
48 Crawford and Lutz, “Human Costs of War.”
The Netherlands initiated resolution 2417, which condemned the practice of starving civilians as a method of warfare and the unlawful denial of humanitarian access to civilian populations. It also facilitated an agreement with Belgium and Germany, which followed the Netherlands as non-permanent members of the UNSC, to continue highlighting the linkages between hunger and conflict. During its tenure on the UNSC, the Netherlands was also able to influence the debate on reforming peacekeeping operations. It promoted measures such as more and better use of intelligence in UN missions; a more holistic approach to missions; “force generation” that could improve the UN’s critical capabilities; better integration of civil and military leadership; and improved cooperation with regional organizations. Another priority the Netherlands was able to emphasize throughout the duration of its UNSC tenure was the importance of UN Resolution 1325, which highlights the disproportionate impact of armed conflict on women and girls.\textsuperscript{53}

- Participating in the UN peacekeeping mission in Mali, MINUSMA, from 2013 to 2019, yielded two benefits. First, according to the International Organization for Migration, MINUSMA made a difference in Mali. By the end of 2018, 525,000 displaced persons and 66,500 refugees had been returned to the country. Second, participating in MINUSMA raised the international profile of the Netherlands and bolstered its image as a capable and dependable partner – an especially useful reputation for a middle power to cultivate.\textsuperscript{54}

- The Netherlands gets these significant benefits at a relative discount. For the overall 2019-2020 peacekeeping budget of $6.5 billion, the Netherlands contributed $87.75 million, or only about 1.35%. This contrasts favorably with China and the US, both of which contribute a much higher share of the peacekeeping budget in absolute and proportional terms. For its 2018 role on the UNSC, the Netherlands paid around $435,000 in subsidies and $4.5 million in contributions.\textsuperscript{55}

NATO’s external collective defense function has contributed to peace and security for over seven decades. Against the backdrop of Russian attempts to weaken the alliance through hybrid warfare tactics, it is worth noting that NATO’s demise would make Europe less secure and require a vast increase of national defense budgets.


• NATO has made a significant contribution to peace and security in Europe since the end of World War II. During the Cold War, nuclear war would have probably led to the destruction of much of the Western world, but the NATO nuclear umbrella was a vital factor in the maintenance of peace.

• The US security guarantee allowed countries to save on defense expenditures. With some justification, US presidents have long accused their allies of not spending enough on defense. The Netherlands has been a notorious free rider. At present, it does not meet the agreed benchmark of spending 2% of its GDP on defense; it does not even meet the NATO median of 1.67%. The amount of money saved by this underspending on defense is difficult to calculate precisely.\textsuperscript{56} We do know, however, that during the Cold War the Netherlands spent between 3 and 4% of its GDP on defense. From the Dutch perspective, collective defense saves money while at the same time enhancing security.

![Defensie uitgaven als % bbp](image.png)

\textbf{Defensie uitgaven als % bbp}

\texttt{Bron: lange tijdsreeksen overheidsfinancien CPB}

\begin{figure}[h]
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\includegraphics[width=\textwidth]{defense_spending.png}
\caption{Defense Spending as a Percentage of GDP}
\end{figure}

• As a standard setting organization, NATO has enhanced military effectiveness and saved money. Nevertheless, European defense suffers from fragmentation. A comparison of US and European spending reveals that the US invests €108,322 per soldier, as compared to €27,639 per soldier for the EU. This figure suggests that there are inefficiencies in European defense spending. For instance, there are 178 different weapon systems in Europe and only 30 in the US.\textsuperscript{57}

• If NATO were to collapse, the budgetary consequences would be grave. According to a study by the IISS, if the US were to withdraw from NATO and to abandon its traditional role of providing maritime security, the protection of Europe’s global sea lines of communications would require significant investments in submarines,

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frigates, ocean going patrol vessels, support ships, anti-submarine aircraft, and ground attack aircraft. The price tag could be as high as $110.4 billion. Another hypothetical scenario, in which European nations are required to defend the Baltic States and Poland or to liberate them from an occupying force, would require dozens of extra armored or heavy mechanized brigades, self-propelled artillery and air defense battalions, and hundreds of additional attack aircraft. This could cost up to $356.7 billion. The total European defense budget is approximately US$264 billion. Total independence from the US security umbrella would require an almost doubling of European national defense budgets.

3.2.3 Norms

See Annex 3 for the case study on Human rights. Norms regulate state and non-state behavior. They are valuable because norms create stability. For a trading nation such as the Netherlands, this is of crucial importance.

- The Netherlands is one of the biggest contributors to UN human rights initiatives. In 2019, the Netherlands voluntarily contributed approximately €12 million to the Office of the High Commissioner for Human Rights (OHCHR), a figure which ranked fifth overall, behind only the EU, Norway, Sweden, and the US. In addition, from 2020 to 2022, the Netherlands is one of 47 countries serving on the UNHRC. The case study concludes that the benefits of international cooperation on human rights are unmistakable. The Netherlands helps to sustain a web of institutions, norms, and processes that influence state behavior. Human rights conventions provide the basis for pressuring signatories that are not meeting their commitments and encourage the development and operation of domestic groups that can influence state behavior from within. UN human rights bodies also work in tandem with international organizations to penalize countries with poor track records, for instance when it comes to multilateral loan commitments.

- Evidence indicates that improving human rights fosters economic growth. Improving access to basic education and healthcare has a significant positive effect on economic growth and it contributes to growth in countries with low levels of development in those areas. Closer to home, freedom of assembly and association and electoral self-determination have made a significant contribution to economic growth in Europe as well.

- One recent study on a Dutch initiative – the Global Commission on the Stability of Cyberspace (GCSC) – provides an example of the importance of norms. The

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GCSC measures success in terms of output, which refers to commitments and achievements set by norm entrepreneurs – individuals seeking to change social or global norms – engaged in global steering efforts. “Output” can comprise standards and regulations, programs, and even institutional structures. “Outcomes” refer to changes in the conduct of participating actors in accordance with the commitments. “Impact” relates to contributions to problem-solving or goal attainment resulting from the behavioral alterations of the stakeholders involved. In terms of output and outcome, the GCSC scores very high. Impact is more difficult to quantify. The commission has put the issues on “the radar screens of policymakers and publics” and garnered support across fora such as the EU or the Paris Peace Forum, an achievement which should “not be underestimated”. Norm setting enhances stability, so the abandonment of norms would increase the degree of anarchy in cyberspace.
4. How to preserve the multilateral system?

For an advanced, open economy such as the Netherlands, international cooperation is a prerequisite for stability, prosperity, and security. The Netherlands lacks the power to unilaterally protect its interests, so multilateralism is the only viable option: economic cooperation boosts GDP, norms create stability and trust, and collective defense creates security. The EU and NATO are the most relevant institutions when it comes to promoting Dutch interests, but the EU is the only vehicle that can play a role in reforming the global system. Given the lack of consensus on how any such reform should be enacted, the Netherlands will need to forge coalitions with like-minded countries inside and outside the EU. This will require both multilateralism, in the form of coalition building, and some hard-nosed power politics.

There are different categories of like-minded countries. Upholding the multilateral system can be done most effectively with influential countries. Such countries have a high score on the Foreign Bilateral Influence Capacity (FBIC) index. They are usually overachievers in economic, military, and political terms. They have more leverage than other countries. Economic leverage is measured in terms of the volume of trade, the number of trade arrangements, and foreign aid. Security can be measured in terms of arms transfers and the arms trade, membership in military alliances, and military spending. Political influence is measured in terms of the level of representation and membership in intergovernmental organizations. The world’s most influential power is the US. It possesses 11% of global influence, followed by Germany (9%) and France (7%). At 4.2%, the Netherlands is almost on equal footing with Italy (4.9%) and the UK (4.5%). Spain (3.4%) and Belgium (2.4%) also have top ten scores. The top 10 countries, except for the US and China (with 6% of the global influence), are the countries with which the Netherlands could best partner to uphold the multilateral system.

Most influential countries also belong the group of so-called like-minded countries. Cooperation with those countries allows middle powers to protect their common interests collectively through a system of international institutions and international law. For middle powers, this is a prerequisite for prosperity, stability, and security.

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Arms Control and the Future of Multilateralism

The Netherlands has a long history of working on behalf of arms control and is party to numerous international conventions and agreements. For instance, the Netherlands is a signatory to the Arms Trade Treaty (ATT), negotiated under the auspices of the UN, which regulates international trade in conventional weapons. The Netherlands participates in the ATT’s Sponsorship Program, which enables low-income countries to attend ATT meetings. In 2019, the Netherlands contributed $56,818 USD to the program, second only to Switzerland. Since 2018, the Netherlands has been co-coordinator for International Cooperation and Assistance for the Convention on Cluster Munitions. As part of its Mine Action and Cluster Munitions Programme 2016-2020, the Netherlands has provided $45 million USD in funding for three NGO’s. These organizations will work on clearing landmines, dismantling production and storage facilities, destroying stockpiled landmines, offer support to victims and their families, and educate local populations about landmines in Africa, Eastern Europe, the Middle East, South America, and South Asia. The Netherlands also makes an annual contribution to the UN Mine Action Service Voluntary Trust Fund. In 2019, the Netherlands chaired the committee on Article 5 Implementation under the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction. Finally, even though it voted against the treaty, the Netherlands was the only NATO member to participate in negotiations regarding the Treaty on the Prohibition of Nuclear Weapons (TPNW).

The Netherlands’s active role in arms control, and its tendency to partner with other countries in these efforts, should give it a degree of leverage in attempts to reform the international system. For one thing, it will have credibility with its most important potential partners, other middle powers, who, like the Netherlands, prioritize multilateral solutions to international problems. In addition, Dutch arms control initiatives should dovetail with its activities in other areas, such as development aid, to further bolster its influence with low-income countries. This could prove useful in several areas, including efforts to salvage, in some form, the WTO, reforming the UN Security Council, and preserving the key functions of the UN human rights regimes. Finally, the Netherlands’ approach to arms control highlights a propensity of Dutch foreign policy that may prove useful – in international negotiations, it often plays a bridging role between different types of countries. This was particularly apparent during the negotiations over the TPNW, when the Netherlands served as an intermediary between NATO members, especially the United States, and those that ratified the treaty, which are overwhelming low- and middle-income countries located in the Global South. In doing so, it was able to voice support for the long-term goal of nuclear disarmament while simultaneously articulating the concerns about the TPNW that prevented many countries from supporting it.

Relationships matter in international relations. Multilateralism works best between friendly or like-minded countries. These countries find it easier to agree on common challenges, such as defense. However, roles in such relationships are not carved in stone. They can change overtime, especially during crises. Some countries manage their interests according to the established rules. The EU is a case in point. The EU is the team leader and individual countries harmonize their positions and take decisions collectively, through qualified majority voting, or outsource it to the EU, which is responsible for supranational decision-making. This part of the arrangement is unique in the world.

By working closely with like-minded nations, individual countries like the Netherlands can enhance stability and prosperity; they can also punch above their weight. This requires specialized economic sectors, smart and active diplomacy, and a knowledge base that provide innovative ideas and solutions. However, the nature of the global order and the manifestations of multilateralism are reflections of the global distribution of power. This means that global power shifts have consequences, especially if the interests and values of like-minded countries begin to diverge or if emerging, non-Western powers try to revamp the international order.

The Dutch Foreign Relation Index, developed by HCSS, provides insight into the Netherlands’ relationships with other countries. Effective multilateralism requires a high degree of compatibility with other countries. Countries that are willing and able to work together subscribe to principles rooted in the liberal rules-based order, such as democracy, human rights, individual liberty, and free market economics. Moreover, effective multilateralism requires a high degree of compatibility in different domains. This includes political compatibility (foreign policy preferences), military compatibility (shared security perceptions), economic compatibility (free trade), and judicial compatibility (norms). The relevance of those compatibilities can be mapped as well. Relevance is an indication of the importance of the domain of compatibility. Taking together the relevance and compatibility dimensions yields five clusters of countries: Anchors, Associates, Prospects, Disruptors, and Contradictors (see Figure 5). As a result of domestic foreign policy choices or collective policies by the other countries, those relationships might change over time. For example, due to the low oil prices of the mid-2010s and sanctions imposed by the EU following the annexation of Crimea, Russia began to temper its more aggressive policies. Consequently, its position shifted from disruptor to prospect.

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62 This contention is characteristic of constructivist IR theory. See Wendt, Social theory of International Politics.
63 See for example Uwe Wissenbach, Rethinking Governance in Europe and Northeast Asia: Multilateralism and role relationships, Chapter 4 (Routledge, 2019).
64 Swejjs and van Wijk, “Evolving position The Netherlands.”
Adjusting the Multilateral System to Safeguard Dutch Interests

Figure 5. Dutch Foreign Relations Index (Source: HCSS)

Plotted on a map, geographic clusters are discernable (see Figure 6). The anchors are part of the liberal western world, which was established by the United Kingdom and the United States during and after World War II and has subsequently played a pivotal role in global order. The group includes three permanent members of the UNSC and six out of seven members of the G7. Broadly speaking, with the notable exception of the US during the Trump administration, most anchors continue to support the rules-based international order, which is being challenged by the disruptor (China), contradictors, and some countries, such as Russia, that are classified as prospects but are almost disruptors.

Associates are countries that, by and large, subscribe to the West’s value system but score lower in terms of relevance. This group includes the Scandinavian countries, Central and Eastern European states, Canada, Japan, South Korea, Australia, and New Zealand. Anchors and associates form the heart of the multilateral system.

Prospects do not necessarily embrace the anchors’ value system but have some similarities in other domains. They could be pro-Western but authoritarian, such as Saudi Arabia and the UAE, or illiberal and anti-Western such as Russia and (to an extent) Brazil. Nevertheless, those countries could share some elements of the Western value system. Regarding the latter, religion plays an important role. Russian orthodoxy is part of the Eastern Orthodox Church, which is one of the three main branches of Christianity. Almost 90% of Brazilians adhere to the Catholic or Protestant faiths. India is a democracy but has a different value system. Prospects might be willing to cooperate with the Netherlands on a case-by-case basis.
Cooperation with contradictors such as Iran, North Korea, and Turkmenistan is more difficult. As dictatorships, they do not share Western values and are economically illiberal. For the Netherlands, contradictors are the far end of the political, economic, and judicial spectrum. At the same time, contradictors are too small, in economic and military terms, to pose a threat to Dutch vital interests. Nevertheless, they can act as spoilers. Iran and North Korea are a case in point. Wielding (the threat to build) nuclear weapons and hybrid warfare tactics, including cyber-attacks, both countries try to disrupt international relations and seek to undermine the United States.

Cooperation with disrupters is impossible on equal terms. In 2018, the only state in this category was China. As an emerging superpower, China seeks to adapt the rules-based liberal order to reflect its own preferences. This is a major challenge because China’s value system differs radically from that of the Netherlands. Its system of state capitalism also stands in opposition to the West’s preference for free trade. China sees the economy as a political instrument, while the West, broadly speaking, believes in free trade without political interference.

In sum, cooperation with anchors and associates should be straightforward. However, the COVID-19 crisis has demonstrated that this is not always the case. Cooperation with the other categories might be even more difficult, but cooperation on specific issues cannot be ruled out. The greatest challenge is cooperation with disruptors. They might only be willing to cooperate if they can set the rules of the game.
Nevertheless, close cooperation with anchors and prospects will benefit the multilateral system. All EU-member states, the UK, Australia, Japan, South Korea, Canada, and New Zealand belong to this category. This is, essentially, the West. Until recently, it was led by the US. However, as Washington is currently eschewing key aspects of multilateralism, the Netherlands has no choice but to cooperate even more closely with other countries to influence and, when necessary, counterbalance US behavior.

Another way of upholding the multilateral system is with middle powers that share liberal-democratic values, that score highly on the Freedom House Index in terms of political rights and civil liberties, and that benefit from the rules-based trading system.\textsuperscript{65} Major powers “known for their predisposition to pursue diplomatic solutions that embrace compromise, good international citizenship, and inclusive multilateralism” are important for upholding the system as well.\textsuperscript{66}

The value of cooperation among like-minded middle powers was demonstrated during the corona crisis in the UNSC. In March 2020, with China holding the rotating presidency, the corona crisis was not even discussed because China deemed it a question of global health and security that did not fall within the UNSC’s geopolitical scope. China’s reluctance to push for action on the issue during its presidency was exacerbated by disagreements with the US. Washington demanded any resolution or declaration state that the virus originated in Wuhan, China; Chinese diplomats insisted upon praise for Beijing’s handling of the crisis.

After the UNSC presidency passed to the Dominican Republic and Estonia in April and May 2020, middle powers sought to fill the leadership vacuum. Responding to an appeal by UN Secretary-General António Guterres for a global ceasefire, France and Tunisia drafted a resolution that would facilitate a humanitarian ceasefire for at least 30 days in conflicts in places such as Syria, Yemen, Libya, South Sudan, and Congo. However, Washington threatened to veto this resolution because it mentioned the World Health Organization (WHO), which Trump has accused of allowing Chinese pressure to influence its response to the crisis. In response, Estonia and Germany introduced yet another draft resolution that omitted mention of the WHO; China then threatened to veto this proposal. At the time of publication, negotiations had yet to yield an agreement on a resolution.

\textsuperscript{65} Freedom House, “Global Freedom Status.”
\textsuperscript{66} Oosterveld and Torossian, \textit{A Balancing Act}.
In sum, those countries sharing liberal-democratic values – anchors and prospects, countries with disproportional global influence, and major and middle powers – are the most likely allies for the Netherlands when it comes to upholding the multilateral system:

1. EU: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxemburg, Spain, and Sweden.
2. The trans-Atlantic world: Canada, the United Kingdom and post-Trump US.
3. The rest of the world: Australia, India, Japan, South Korea, and New Zealand.

Another group of countries that can play a role in upholding the multilateral system is non-western members of the Alliance for Multilateralism. These include Argentina, Chile, Costa Rica, Ethiopia, Indonesia, Jordan, Mexico, Peru, and South Africa.
4.1 The Alliance for Multilateralism

In 2016, then-Vice President Joseph Biden hinted at a ‘middle power alliance’ in response to the incoming Trump presidency. In his view, Prime Minister Trudeau and Chancellor Merkel should play an important role in upholding the rules-based order. In 2019, France and Germany launched an initiative called the Alliance for Multilateralism, which is intended to serve as an informal coalition of like-minded countries convinced that the embrace of multilateralism and the international rule of law is “the only reliable guarantee for international peace and stability and that the challenges we are facing can only be solved through cooperation”. This requires compensating for the insufficient involvement of states and defending fundamental standards, the reform and modernization of institutions, and new initiatives where governance is insufficient. The Alliance announced six initiatives:

1. A call for action to bolster respect for international humanitarian law
2. The Paris Call for Trust and Security in Cyberspace
3. The Information and Democracy Partnership
4. The Gender at the Center Initiative
5. The Climate and Security Initiative

Most of the more than 50 ministers of foreign affairs participating in the first meeting represented liberal democracies. In a joint article, Foreign Minister Heiko Maas (Germany) and Minister of Europe and Foreign Affairs Jean-Yves Le Drian (France) wrote that “It is high time we coordinate more closely to form a strong and dedicated network in order to safeguard multilateral diplomacy from false nation-state promises and unbridled power politics. Who, if not us? When, if not now?”

5. The future of multilateralism

The three case studies attached to this report show that the WTO, the UNSC, and the UN human rights bodies are being undermined by major power rivalries. This also holds true for organizations such as NATO. Other organizations, such as the EU, are threatened by sovereignism and must adapt to new geopolitical realities. The current multilateral system is the expression of the Western ideals of liberal internationalism and the system will change for the worse if the world becomes more transactional. The case studies reveal that the Netherlands was able to achieve some of its foreign policy objectives through active participation in global institutions. However, the Netherlands has insufficient power to reform the global system in line with the new geopolitical realities. This can only be done through the EU (and to a lesser extent NATO). By allowing major and middle powers to act collectively, the EU effectively promotes the interests of its member states. This is an indispensable tool for counterbalancing US attempts to undermine the multilateral system and Beijing’s attempts to modify the system so that it reflects Chinese interests and values. Consequently, for the Netherlands, strengthening the EU as a key player is a vital interest.

Failing to do so would have lamentable consequences for the Netherlands, which views multilateralism as a cornerstone of its foreign policy and as a prerequisite for stability, prosperity, and peace. How should the Netherlands respond to the challenges to the multilateral system? There are three potential strategies:

1. Adapt to the complete or partial breakdown of multilateralism.
2. Maintain the status quo and stop the erosion of multilateralism.
3. Reform the multilateral system to better incorporate new powers.

5.1 The breakdown of the system

The partial or complete collapse of the multilateral system would result in a Hobbesian world in which countries compete for influence and survival. Multilateralism’s biggest challenge is to come to terms with global power shifts, zero-sum nationalism, new interstate rivalries, and crises such as the COVID-19 outbreak. The UNSC is being undermined by major power competition, the WTO is under threat, NATO faces a potentially existential threat, and the EU could collapse over the challenges of the
COVID-19 crisis. At the systemic level, the collapse of the multilateral system would unravel regimes and institutions that are crucial for global stability.

Several scenarios could result in the collapse of the EU. Breakdown could be a second order effect of the COVID-19 crisis. A new sovereign debt crisis could ultimately result in the collapse of the euro and the EU. The same holds true for the failure of the proposed recovery plan, Next Generation EU. A collapsing EU would have calamitous results. All the gains of multilateral cooperation would vanish. Societal and political stability would suffer, and territorial integrity could be called into question.

If the multilateral system were to break down, there would be a new distribution of global power. If China were to emerge as the new hegemon, the Netherlands – as an insignificant player without the protection of the EU or NATO – would confront zero-sum, mercantilist trade policies and a world order that no longer reflected Western values. In this scenario, the Netherlands would be vulnerable to mistreatment at the hands of hostile powers.

Following the collapse of the multilateral system, the world would enter uncharted and dangerous waters. There would be no easy fixes for the many problems that would arise. The initial response would likely be reactive and would destroy the remnants of the rules-based international order. Governments would focus on protecting their countries, so nationalism and protectionism would become even more influential influences in domestic and international policymaking. Opportunistic political leaders and commentators would seize the opportunity to condemn the costs of the EU’s recovery plan and call for a Nexit – the withdrawal of the Netherlands from the EU – or for leaving the euro. Leaving the EU or the eurozone during a crisis would be disastrous; any rhetoric encouraging such policies should be condemned as irresponsible and reckless.

The Netherlands can only exercise the influence necessary to stop the erosion of the multilateral system through its membership in the EU, so the breakdown of the EU would threaten a vital interest of the Netherlands. Such an event would likely necessitate the formation of a core group of like-minded countries to defend common economic and security interests. This would require the Dutch government to play a constructive role in various international organizations, to attempt to bridge differences between countries, to suggest ways to revitalize the system, to combat polarization, and to explain the value of the system to the public.
Development Aid and the Future of Multilateralism

Dutch development aid policy is designed to incentivize outcomes in recipient countries and regions that align with Dutch interests and values. The overarching framework for Dutch policy is the Sustainable Development Goals (SDG), a 2015 UN initiative designed to facilitate achieving development goals in 17 areas by 2030. Dutch officials are required to assess how legislation and policy contribute to the SDGs. Since 2018, Dutch development aid policy has shifted to address key regions and themes. One focus is the underlying causes of poverty, migration, terrorism, and climate change in regions bordering Europe. 9 of the top 10 recipients of bilateral aid are in the Middle East or Africa (Afghanistan is the tenth). A second area of emphasis is climate change and the environment. As part of the Dutch Fund for Climate and Development (DFCD), the Netherlands has earmarked €160 million for climate-relevant projects in developing countries; in 2018, the Netherlands committed 33% of its bilateral aid (US $921 million) in support of the environment, which is on par with other countries that provide significant foreign aid. A third priority for Dutch development aid is gender equality and women's rights. 57% of Dutch bilateral aid ($1.6 billion) goes toward gender equality and women's empowerment, which is a much higher percentage than other prominent donor countries. Finally, the Dutch government places considerable importance on boosting the international economic contributions of developing countries. In 2018, almost 26% of bilateral aid ($708.6 million) was devoted to boosting trade in developing countries' and their integration into the world economy, making the Netherlands one of the world's leading donors in this area.

The Netherlands' role as a leading provider of development aid potentially gives it leverage in key areas as it seeks to reform the multilateral system. This influence could be amplified by partnering with other countries that wish to preserve a rules-based international order. Working with non-state actors, such as NGOs, that have influence and expertise on specific issues, would also be beneficial. When it comes to the WTO, the Netherlands should have influence with countries to whom it has provided trade-related development aid and it should share common interests with countries that seek to preserve a rules-based trading system. Similarly, the country's leading role in promoting gender rights, at the UN and elsewhere, should help to ensure that the Netherlands can play a role in both extant international forums and in new, ad-hoc arrangements. Dutch efforts to combat climate change and environmental degradation will similarly be boosted by its track record as a donor and its ability to partner with other countries that prioritize the issue. The Netherlands' focus on mitigating the underlying causes of poverty, migration, terrorism, and climate change in the Middle East and Africa will resonate with other countries that have an interest in the region.

5.2 Maintain the status quo.

If the breakdown of the system lies at one end of the spectrum, some combination of maintaining and strengthening the status quo is at the other extreme. Maintaining the status quo refers to preservation of the system. Maintaining the status quo cannot be a goal in and of itself. Maintaining the system requires reform to keep it relevant in a rapidly evolving geopolitical context. This is easiest when working with a US president who embraces multilateralism. However, even if the next US president is a proponent of multilateralism, it is still not guaranteed that the US will resume global leadership in a manner that will reassure the EU and NATO. Even a supporter of multilateralism will face many competing priorities, foremost among them fixing an ailing economy – as a result of the COVID-19 outbreak – and dealing with China. Fixing the multilateral system will not receive the attention it requires. At the same time there is no Plan B as an alternative for the present multilateral order.

World order is shaped primarily by global power shifts and the likely trajectory of relations between China and the United States – economic, military, and political competition – will have significant consequences. For years to come, the United States will focus on its post-COVID-19 economic reconstruction and China. This will change the transatlantic relationship in unprecedented ways. It will force the other NATO member states and the EU to develop strategies for defending their interests without consistent US attention and support and for upholding the multilateral system in a way that reflects their interests and values. Due to global power shifts and the relative decline of the US, the EU and the European member states of NATO will need to rethink their positions vis-a-vis China as well. China’s autocratic and state capitalist system is diametrically opposed to Europe’s democratic, market-oriented approach. This will require the EU to become a genuine geopolitical player, one that can use the economic, military, and political tools at its disposal in a concerted manner. The new geopolitical realities will necessitate development of a grand strategy as a prerequisite for equal relationships with Washington and Beijing, but Europe has yet to demonstrate the ability to think strategically.

European leadership on multilateralism would have the additional benefit of fostering a more balanced transatlantic relationship, wherein the US would finally treat Europe like a partner, not a collection of satrapies – a longstanding European wish – and the US would finally get the larger European contribution to international order that it has always demanded.70

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5.3 Reform of the multilateral system.

Hanns W. Maull argues that international orders, by definition, evolve and require adaptation. Avoiding the collapse of the multilateral system and maintaining its relevance require making changes. This necessitates that Dutch policymakers press for reforms and adapt to the new system. To make matters even more complicated, the current phase of evolution is so rapid that it might be more accurate to characterize it as revolutionary.

This will force the Netherlands to address the dilemma mentioned in the introduction. On one hand, the present multilateral system allows middle powers to bind more powerful nations, thereby gaining international influence. On the other hand, global power shifts, zero sum thinking, and sovereignism are transforming the multilateral system in ways that harm the interests and values of the Netherlands.

One formidable challenge facing the Netherlands is that the need for multilateral cooperation can be best explained by using rational arguments and evidence about gains in prosperity and stability. These “technocratic” internationalist arguments have little impact on those who support sovereignist views. They are not interested in technocratic arguments and instead use emotional, nationalistic, and irredentist arguments about taking control over the nation’s destiny. As the two perspectives represent antithetical visions that cannot be bridged, defining multilateralism requires communicating a clear narrative to potentially receptive members of Parliament and the public.

5.4 The new narrative

The new narrative should spell out a) Dutch interests, b) the gains that come with multilateralism, c) the consequences of the breakup of the system, d) how the Netherlands can contribute to upholding or revitalizing the system, and e) which reforms are needed.

The interests of the Netherlands are in maintaining the economic security, territorial integrity, physical security, the international rule of law, and the societal and political stability of the Kingdom. Those interests are codified in the National Security Strategy.

The gains of multilateralism are also clear and can be defined in terms of prosperity, stability, and values:

- In exchange for its €5.4 million contribution to the WTO, the Netherlands got a 2.90% boost in exports, worth €12,830,460,000. Overall, Dutch GDP is 5.94%, or €27,825,960,000, higher than it would be if it were not a WTO member.

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• The EU Single Market boosts per capita incomes by another €1,000 a year. For the Netherlands, this translates to an extra €3,000 - €5,000 annually.
• Flows of goods and services facilitated by international trade agreements, the WTO, and the EU generate up to 67% of Dutch GDP, provide the Netherlands with strategic resources, boost employment, and facilitate countrywide access to consumer goods not produced locally. This explains why trade made up only 24.2% of world GDP in 1960 and increased to 58% by 2016.
• Flows of information, ideas, and technology accounted for 22.9% (€158.01bn) of GDP in 2015, bolster the competitiveness of the country’s innovative sectors, and are key in propagating Dutch values internationally.
• Promoting human rights increases economic growth. Improving access to basic education and healthcare has a significant positive economic impact and it contributes to growth in countries with low levels of development in those areas.
• EU and NATO enlargement, as well as post-Cold War democratization processes in Central and Eastern Europe, have made significant contributions to stability and consequently to economic growth throughout Europe.
• Collective defense in NATO keeps defense budgets low while at the same time enhancing security.

The consequences of the collapse of the multilateral system are straightforward as well.

• The dissolution of the Single Market would lower growth by 7 percent. This would increase to 9 percent in the event that the Schengen Agreement were to dissolve and 10 percent if the euro area were to collapse.
• In 2018, conflict cost the world economy $14.1 trillion. This is equivalent to 11.2 per cent of global GDP, or approximately $1,850 per person. The breakdown of the multilateralism and the emergence of a Hobbesian alternative would increase those figures and would consequently require the Netherlands to spend more on defense.
• European military autonomy or the renationalization of defense would require close to doubling the defense budget.
• The costs would be even higher if the UNSC collapses. Rivalries at the systemic level could cause global wars and local threats to peace and security could no longer be dealt with by the major powers.

A collapsing system would not only have catastrophic economic consequences but would also undermine social and political stability and could even affect the nation's territorial integrity. It would expose the Netherlands to geopolitical forces beyond its control, downgrading the Netherlands to an insignificant country that is at the mercy of a new hegemon or a group of major powers. This would come at the expense of the interests mentioned above. The demise of multilateral cooperation would also limit Dutch sovereignty. Only through membership in international organizations such as the EU and NATO can the Netherlands exercise a degree of global influence and maximize its sovereignty.
5.5 How can the Netherlands contribute to reforming the system?

- Prioritize the multilateral organizations that matter most for Dutch security and prosperity. Emphasize preserving and strengthening the EU and, to a lesser extent, NATO. Work through those institutions to reform the multilateral order at the global level.
- Preserve the UN system and uphold the international rules-based order with like-minded countries and put the full weight of the Netherlands behind initiatives such as the Alliance for Multilateralism.
- Invest in UN peacekeeping missions and conflict prevention to enhance regional stability and Dutch global influence.
- Accept that sovereignty, prosperity, and security in a globalized world can only be maintained through closer cooperation with like-minded countries.
- Build coalitions around like-minded countries with the involvement of at least one major power to exercise global power.
- Accept that strong links with like-minded countries must be based on shared interests and solidarity.
- Seek to foster an understanding in the Netherlands that, due to geopolitical changes, power politics and coercion will at times be crucial elements of foreign policy.
- Accept that Europe will no longer be the foremost US priority and that the nature of transatlantic relations will change, regardless of the political party of the US president.
- Embrace the idea of a European Security Council as put forward by the AIV (Advisory Council on International Affairs).
- At the same time, strengthen the traditional Dutch bridging role between Europe, the United States, and the United Kingdom and draw London and Washington as close as possible to European institutions for enhancing prosperity, security and upholding the international rules-based order. The bridging role can be enhanced by working closely with like-minded countries.
- Work though the EU to strengthen crucial global institutions such as the WTO and the UN.
- Do not neglect the link between normative issues and security and prosperity. Promote normative issues with like-minded countries and forge coalitions of the willing and able on specific issues. Those countries should lead by example.
- Strengthening ties with like-minded countries should also be considered a fallback option in the event of the breakdown of the multilateral system.

Partner with non-state actors and prospects to strengthen multilateralism and to support norm-setting in various fields, including human rights, democracy, and trade practices.

Encourage initiatives to strengthen norm-setting. This could be done by active participation in norm-setting institutions, as well as by supporting NGOs or national initiatives.

Develop strategies designed to convince the US of the value of multilateral cooperation in return for joining forces to press China to reform its trade policies.

In return for a free trade agreement with the EU, demand that China permit access to its markets and that it uphold norms. Use access to the EU’s internal market as a lever for reciprocity and norm-setting.

Strengthen the EU’s role as a norm-setter and emphasize the European way as an alternative to the hegemonic policies of the US and China.

Make reciprocity a foreign policy objective by linking different policy domains, for instance economics and human rights.

Embrace new initiatives that serve Dutch interests or that could provide an alternative to collapsing multilateral institutions. Examples are the support given to the new Asian Infrastructure Investment Bank and the EU’s Multiparty Interim Appeal Arbitration Arrangement (MPIA, see Annex 1).

Take plurilateral initiatives. The Netherlands did this with the Global Commission on the Security of Cyber Space (GCSC), which aims to establish new rules for international cyber security. Another example is an idea circulating in Washington: the creation of an economic prosperity network of like-minded countries, organizations, and businesses. It aims to convince US firms to partner with network members to reduce economic dependence on Beijing.\(^\text{73}\)

Embrace minilateralism or plurilateralism to defend and promote Dutch interests. Take, as a starting point, the example of the Global Commission on the Security of Cyber Space (GCSC). Another fruitful example is the interim agreement for adjudicating WTO disputes, the MPIA.

Take, in selected cases where the Netherlands can make a difference, a role in the reform of the liberal international order and its institutions.

If none of this works, scale back the scope of the international organizations including the EU, NATO, and the WTO in such a way that limits the damage to the Netherlands.

Reform of the system to better incorporate new partners will be more difficult with a US that views its relationship with China primarily through the lens of competition. In this scenario, EU member states will have no choice but to collaborate with China on a case-by-case basis or to create parallel multilateral structures themselves. The breakdown of the multilateral system would require the EU to defend and

\(^\text{73}\) Johnson and Gramer, “The Great Decoupling.”
deepen European integration and create new institutional structures. This would be a prerequisite for EU member states to defend their interests in an increasingly chaotic world.

The EU is the only geopolitical actor through which the Netherlands can exercise global influence. In the event of the EU’s breakdown, the Netherlands would have no choice but to collaborate with like-minded countries to build new coalitions and multilateral institutions for defending common interests.

It is likely that tensions between the US and China will persist; this means that Washington may continue to be an inconsistent participant in NATO. This could leave European NATO and EU member states more vulnerable to Russian aggression. Consequently, the EU will likely play an increasingly important role as a security provider. This will require the Netherlands to embrace European Strategic Autonomy (ESA) to create more geopolitical freedom for maneuver. A logical solution would be to build upon the French conception of ESA, which entails developing the “ability to decide and to act freely in an interdependent world”. ESA is needed to turn the EU into a more capable geopolitical player and to enhance the European pillar in NATO.

Finally, the Netherlands should initiate a White Paper on multilateralism that takes into account the recommendations mentioned above and ensures financial contributions and diplomatic activities are commensurate with the new priorities.

75 Norway produced a White Paper, while Austria carried out an audit. Germany is in the process of drafting a White Paper.
Annex 1: The World Trade Organization

Introduction

At the conclusion of negotiations to form the World Trade Organization (WTO) in April 1994, the Dutch Minister for Foreign Trade, Yvonne Van Rooy, explained why relatively small, open, democratic countries such as the Netherlands place so much value on a rules-based international trading system. “The economic stimulus through more open markets, fair competition and higher investments will benefit producers, consumers, traders and investors everywhere,” she explained. “It will also be instrumental in fighting the scourges of poverty and unemployment worldwide.” In her remarks, Van Rooy also issued a warning about the future of the WTO. The organization’s agenda, she admonished, “should be built on consensus and not on power play and arm twisting.” She voiced hope that countries would not politicize “the WTO from the outset and trade policy in general. The WTO should not become a stage, where governments only try to please their domestic lobbies or pressure groups.”

Fast forward 25 years, and Van Rooy’s fears about the fate of the WTO appear prescient. The world’s two largest economies are locked in an on-again, off-again trade war. One of those countries, the United States, has made it clear that, unless the WTO reforms along lines that it demands, it will prevent the organization from functioning properly. Meanwhile, there is widespread acknowledgment that the WTO is not designed to accommodate an economic system such as China’s – which is now the world’s largest economy, and where the dividing lines between private industry and government are impossible to discern. Even ardent supporters of the WTO agree that the organization needs to be reformed, but in spite of numerous suggestions as to how this could be done, consensus remains elusive. In the short term, the European Union and more than a dozen other countries have agreed to an interim fix – a Multiparty Interim Appeal Arbitration Arrangement (MPIA) – which will allow them to bring appeals and solve trade disputes amongst themselves.

The Netherlands is a staunch supporter of the WTO, but given the current state of affairs, it is worth pondering the country’s commitment to the organization. The

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scale of the problems facing it – the WTO’s internal structural shortcomings, the unprecedented nature of China’s economic system, and US recalcitrance – need to be measured against the significant benefits that the Netherlands derives from membership.

**WTO Structural Shortcomings**

Even Pascal Lamy, a former Director-General of the WTO, agrees that the organization needs to be revamped. Lamy and others point to several areas where reform is needed.\(^77\) One is that, following the collapse of the Doha round of negotiations, the organization’s role as a forum for lowering trade barriers has stalled. In response, many countries have begun negotiating at the bilateral or regional level. Some of these negotiations – such as one initiative regarding e-commerce – and agreements – such as the 2018 Comprehensive and Progressive Agreement for Trans-Pacific Partnership – are, on balance, constructive.\(^78\) Overall, however, the tendency toward small-bore agreements is undermining the international trading system and facilitating fragmentation.

Another area of concern is the WTO’s lack of effectiveness as an administrator of the trade policies of member countries. For instance, many countries, such as China, fail to comply with WTO notification requirements in areas such as government subsidies or countervailing measures. Some members have proposed that states failing to comply with notification requirements be penalized, but the nature of the WTO’s decision-making process – where such reforms would require unanimous approval – make such steps unlikely. The notification problem intersects with another issue, the fact that countries self-designate their status at the WTO. China, for instance, continues to classify itself as a “developing country” at the WTO, which in theory confers certain advantages, such as longer time periods for implementing agreements and commitments, but which in reality – and especially in the case of China – probably has little impact. Yet the perception remains that China gets special treatment. This feeling is amplified by the genuine challenges posed by China’s economic system and by its status as the world’s largest economy.\(^79\)

At the heart of the structural problems facing the WTO is the operation of its dispute resolution system. The WTO’s Appellate Body (AB) serves as the appeal board for decisions on trade disputes made by WTO panels. Usually, there are seven


\(^79\) Robert Wolfe, “Is World Trade Organization Information Good Enough? How a Systematic Reflection by Members on Transparency Could Promote Institutional Learning” (Bertelsmann Stiftung, 2018); Weinian Hu, “China as a WTO developing member, is it a problem?” (Center for European Policy Studies, November 2019); Schneider-Petsinger, “The Path Forward on WTO Reform.”
AB members and three are needed to consider an appeal; currently there is only one. Appointments must be unanimous, so the United States has been able to veto selections for the other positions. US policymakers have complained for years about what they believe is a disproportionate focus on US anti-dumping laws, which they say are intended to combat unfair subsidies for Chinese goods and to compensate for the WTO’s unwillingness to reckon with problematic Chinese trade practices. Democratic and Republican administrations also have accused the AB of inappropriately reviewing and reversing trade panel factual findings. They advocate a return to what they argue was the original function of the AB – serving as a technical revising body and not a court of appeals.  

Do US complaints have merit? A 2019 report by the Bertelsmann Foundation examined survey data from WTO member countries about the AB. On one hand, the survey found that the majority of government officials and practitioners familiar with the WTO believe that a dispute resolution system such as the AB is an essential component of the rules-based trading system. Respondents to the survey overwhelmingly agreed that the AB is valuable for creating precedents, ensuring predictability, enforcing commitments, and ensuring coherent case law. On the other hand, a significant number of respondents had concerns about the functioning of the AB. A majority – including 70% of officials based in Geneva and involved in the dispute settlement process – believe that WTO panel reports are sometimes biased. A majority also contend that the AB does not always adhere to the rules and procedures governing dispute settlement (and again the number is even higher among those based in Geneva). Nearly a third of respondents do not think that the AB has provided coherent case law, and more than 40% believe that the AB exceeds its mandate.

In spite of such concerns about the AB, the US has not received any support in its efforts to, in effect, render the body inoperative. The reason for this lack of support is clear; most countries view the WTO – and key components such as the AB – as flawed, but they also view it as an indispensable component of the international trading system. They would rather reform the WTO than discard it.

**Challenge Posed by the US**

The WTO’s structural problems have been amplified considerably by the ongoing geopolitical competition between China and the US. Most US criticism of the institution is linked to its concerns about China. The problems began in 2011,

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when the Obama administration began to block the reappointment of specific AB board members — though the Obama administration remained committed to a multilateral trading order. The problem has escalated significantly during the Trump administration, which has rendered the AB inoperative and which has threatened to withdraw from the WTO.\textsuperscript{82}

In recent months, the Trump administration and its supporters have expanded their campaign against the WTO. The administration announced it was under no obligation to comply with a December 2019 WTO AB ruling against the US and in favor of Canada, arguing that the current AB judges are not “valid.” It is also contemplating withdrawal from the WTO’s Government Procurement Agency (GPA). The GPA is designed to foster international competition and transparency in government procurement operations. US withdrawal would damage relations with key trading partners in North America, Europe, and East Asia. These countries currently enjoy preferential access to US public procurement tenders, a market that is worth $837 billion annually. It would also call into question Canada’s willingness to ratify the United States–Mexico–Canada trade agreement, as procurement was a controversial issue during negotiations.\textsuperscript{83}

In addition to the president’s frequent private and public vows to withdraw from the organization, one of Trump’s allies, the Republican (GOP) Senator Josh Hawley, has introduced a resolution in congress that would lead to the US “withdrawing approval of the Agreement Establishing the World Trade Organization.” This would be a symbolic step, not a legally binding one, but Hawley – a young, ambitious, Yale-educated lawyer who represents the culturally conservative, populist future of the GOP – has a more ambitious agenda. Beginning in May 2020, Hawley has mounted a public campaign against the WTO. In a \textit{New York Times} opinion piece, he called for the WTO to be “abolished.” Arguing that the “greatest threat to American security in the 21st century” is “Chinese economic imperialism,” Hawley argued that the US should, in effect, seek a reversion to a pre-WTO system. Blaming the WTO system for economic problems in the US, such as job losses and wage stagnation, Hawley argued that the US should seek “new arrangements and new rules, in concert with other free nations, to restore America’s economic sovereignty.”\textsuperscript{84}

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Hawley’s campaign seeks to align Republicans in Congress – who have traditionally supported trade liberalization – with the Trump administration’s strategy. Trump and his advisors intend to push the international economic system toward bilateral and regional trading relationships, in which the United States will be able to use its political power to extract better terms from its trading partners. Though they believe that there are problems in all of the US’s major trading relationships, at the heart of US complaints is a concern that China poses an existential economic threat.\(^5\)

The US is not alone in raising the alarm about China, but unlike other trading powers, such as the EU, Canada, and Japan, it is no longer willing to work in a multilateral context to address the problem. To an extent, this is an anomalous byproduct of the Trump administration’s worldview, which is unilateralist and which believes the WTO is fundamentally broken; the next Democratic administration will likely revert to a multilateral trade strategy and will return to the Obama administration’s attempts to reform, not destroy, the WTO. Yet Washington’s underlying concerns about China will persist and the United States will continue to view multilateral institutions such as the WTO from an instrumental perspective; when their interests are threatened, they will be willing to act unilaterally. Moreover, powerful interest groups and public unease about the downsides of globalization will likely prevent future administrations, be they Democratic or Republican, from resuming a vigorous leadership role in the international trade system.\(^6\)

**Challenge Posed by China**

The US poses the biggest immediate threat to the WTO, but China may be a more significant problem in the long run. Since its accession in 2001, China has benefited enormously from WTO membership. Joining the WTO allowed China to develop extensive links with the international economy and to become a central hub of global supply chains. In less than a decade, it grew from the world’s sixth largest exporter to the first. WTO membership also resulted in phenomenal economic growth and a significant rise in the standard of living for Chinese citizens. In fifteen years, China grew from a mid-size economy to the world’s largest, and its GDP per capita increased nearly ten-fold. In spite of its emergence as an economic superpower, China is determined to maintain “developing country” status (though this may be primarily a matter of demonstrating its solidarity with low and middle income countries that also have “developing country” status). As justification, Chinese policymakers highlight China’s relatively low position in the UN development index – the US ranks 15\(^{th}\);
China ranks 85th – and the fact that the disparity in per capita income between China and wealthy countries such as the United States remains high.\textsuperscript{87}

In many respects, China is an upstanding member of the WTO. It usually takes at least some steps to comply with judgments against it and to adjust laws or regulations to comply with WTO standards, though there have been notable exceptions. China has been an active member, especially in the WTO’s dispute settlement system, where it is the third most frequent participant, after the EU and the US. It has also taken advantage of current US hostility to the WTO to bolster its standing in the rules-based trading order – it is one of the countries participating in the MPIA.\textsuperscript{88}

Nevertheless, China poses a threat to the organization and to the current international trading system. That is because its economic system is unlike any other. The WTO’s current set of rules are not designed to accommodate an economy in which it is impossible to identify the boundaries between private companies, state-owned enterprises, the Chinese Communist Party, and a complicated set of hierarchies and informal networks. The problematic nature of this system became apparent only after it joined the WTO. China’s economic system allows, for instance, Chinese firms to receive preferential treatment from state-owned banks and enterprises. The Chinese system also facilitates informal discrimination against foreign firms; technology transfer that is, to one degree or another, involuntary; and regulatory decisions that disadvantage foreign firms. Finally, Chinese intelligence has aggressively, and often successfully, sought to steal foreign technology with a mix of military and commercial applications. Taken as a whole, this system puts foreign companies at a significant disadvantage relative to Chinese competitors. Though China has indicated a willingness to make concessions on the margins, there is no indication that it would consider implementing fundamental reforms.\textsuperscript{89}

Another troubling development is China’s growing willingness to use its economic might to extract political concessions from other countries and vice versa. (The same argument could be made about Trump administration policies, but for now Trump appears to be an aberration and a large majority of US policymakers and the US public remain committed to a functioning multilateral trading system. Also, the


US remains a democracy; if anything, China has become more authoritarian as its economic influence grows.) Recent examples of hardball tactics include threatening retaliation against the German car industry if Berlin were to not select a Chinese firm to help build a 5G network and discouraging tourism in South Korea following Seoul’s deployment of a US missile defense system.  

Though it appears to be committed to the WTO for the time being, it is not difficult to imagine scenarios in which Beijing will begin to try to change the organization from within so that it better serves China’s interests – as Chinese policymakers are currently doing in UN human rights institutions and other international organizations. This concern is the backdrop against which the US has called for the removal of the last remaining AB member, who is a Chinese citizen. Washington objects because she belongs to an organization the US claims is funded by the Chinese government.  

**Implications for Multilateralism and for the Netherlands**

European countries and China have reacted to US efforts to neuter the WTO by creating a parallel institution. The MPIA originated as a proposal by the EU for an interim appeal arbitration process. Subsequently, other states joined. On April 30, 2020, the MPIA took effect. As of April 30, 2020, 18 countries and the EU (as well as Hong Kong) had agreed to arbitrate trade disputes using the MPIA, which follows the WTO dispute settlement framework and is intended to exist only as long as the AB is inoperative. Notable participants in the arrangement include Australia, Brazil, Canada, China, and Switzerland. Other WTO members may join at any time.  

The creation of the MPIA is an impressive example of multilateralism or plurilateralism. A diverse set of countries is cooperating to solve a specific, pressing problem that cannot be addressed through traditional forums. Yet there are also dangers inherent in such an arrangement. The most pressing concern is that the MPIA could, ironically, pose a long-term threat to the WTO. If it is effective, and the US remains unwilling to allow the AB to resume operations, more countries will join the MPIA and it will emerge as the long-term vehicle for international trade dispute resolution. While a functioning MPIA is better than nothing at all, it is difficult to imagine the WTO surviving without the AB, at least in its present form. Though dispute resolution is a crucial component of the WTO, it performs other important tasks, such as the administration of trade member policies and serving as a venue for trade negotiations. If the WTO were to

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90 Jack Thompson, “China, the US, and World Order,” Strategic Trends (Center for Security Studies, June 30, 2020).
dissolve, it would essentially destroy the current international trading system, which would in turn be a significant blow to the rules-based international order.

Hence, the current state of the WTO should be a pressing concern for the Netherlands. The WTO is especially important for small, open economies, where about 25% of GDP per capita depends upon the rules-based trading system. Certainly, there are costs associated with membership. In 2019, the Netherlands contributed €5,442,720.15 to the WTO, or about 2.93% of the consolidated budget of the WTO Secretariat and the AB Secretariat. However, this is a fraction of what larger countries pay, both overall and as a percentage of the budget. For example, in 2019 the United States contributed €21,403,768.87, or about 11.59% of the WTO budget; China’s contribution was €18,647,991.87, about 10.09% of the budget.93

The Netherlands gets far more from the WTO, in monetary terms, than it contributes. The Bertelsmann Foundation calculates that, in exchange for its €5.4 million contribution, the Netherlands gets a 2.90% boost in exports, worth €12,830,460,000. Overall, Dutch GDP is 5.94%, or €27,825,960,000, higher than it would be if it were not a WTO member.94

On a more abstract level, the WTO serves as an amplifier of economic influence for some countries that are not major powers. For example, the Netherlands, which ranks in the top tier of exporting nations, trails only China, the US, Germany, Japan, France, and the UK. The Netherlands is only able to punch so far above its weight because of the existence of a rules-based trading system. If the current system crumbles, and economic influence becomes more closely correlated with political power, countries such as the Netherlands stand to lose the most.

The obvious solution to the current crisis would be to reform the WTO. Many proposals have been floated in recent years. The one most closely aligned with Dutch interests is the 2018 concept paper drafted by the European Commission, which is designed to serve as the basis for a significant EU initiative on WTO reform. The paper addresses many of the WTO’s problems: the need to improve transparency and to incentivize subsidy notifications; stricter rules for subsidies; the need to better identify market-distorting behavior by state-owned enterprises; the need to address market access barriers and discriminatory treatment of foreign investors, including forced technology transfers; it sets out ideas for narrowing the scope of special and differential treatment (SDT) for members that self-classify as “developing countries”;
and the slow speed of the WTO decision-making process. Most importantly, the paper suggests avenues for overcoming the current AB impasse and for reforming the AB.⁹⁵

These ideas would improve the structural problems facing the WTO and would be welcomed by many countries. However, such proposals would not necessarily resolve the other challenge facing the WTO, the roles of China and the US. The Trump administration has little interest in WTO reforms that do not dramatically re-orient the organization toward addressing the problems caused by China’s economic system. The next US administration – either run by a Democrat or a more trade-friendly Republican – would likely welcome many of the EU’s proposals. One potential point of contention would be the EU’s call for strengthening the AB, as the US prefers that the role of the body be curtailed, but an administration interested in reviving the WTO should be willing to negotiate on this point. (A second Trump administration, or another Republican administration that embraces its nationalistic view of international trade, would have little interest in the EU proposals.)⁹⁶

China’s view of WTO reform differs significantly. In May 2019, it released its own set of proposals. Like most other countries, Beijing welcomes reform of the AB. However, it rejects other key suggestions. It insists that any reforms not be directed at specific countries – understanding, correctly, that there is widespread concern about its role in the international trading system – that the requirement for unanimity in decision-making be retained, and that SDT be reserved for members that self-classify as “developing countries”. Most importantly, it opposes efforts to curtail market distortions caused by state-owned enterprises.⁹⁷ This makes it unlikely that China would accept reform proposals that suggest clarifying WTO rules would solve the crisis.⁹⁸

The likelihood that, for the foreseeable future, China and the US will not be able to agree on how to reform the WTO means that the Netherlands should simultaneously pursue two strategies. (Russia has issued vague statements in support of reforming the WTO but has avoided presenting any detailed proposals.)⁹⁹) First, it should continue to support EU efforts to facilitate reform of the WTO. If successful – momentarily setting aside the problems posed by China and the US – this is the path that would best serve Dutch interests and values. It would bolster the current trading system that

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⁹⁸ Mavroidis and Sapir, “Towards a Better Fit.”

⁹⁹ Alexey Portansky, “Reforming the WTO is a Long and Complicated Process” (Russian International Affairs Council, December 18, 2018).
has served the country so well and, more broadly, would maintain a key pillar of the rules-based international order.

The second track the Netherlands should pursue is to prepare for at least a partial breakdown of the current rules-based trading system. This is not a desirable outcome but, given the current positions of China and the US, it is possible. In this scenario, the Netherlands should look for opportunities to work in a minilateral fashion with like-minded countries. Likely candidates would be EU member states and associated countries, as well as other democratic Middle Powers such as Australia, Canada, Japan, New Zealand, and South Korea. This democratic core could then negotiate on a case-by-case basis with other potential trading partners. Both China and the US would have a strong interest in working with such a coalition of states. The MPIA is a good example of what this version of trade minilateralism would look like.

Certainly, trade minilateralism is less appealing than a fully functioning WTO. That is why the Netherlands and the EU should continue to vigorously pursue WTO reform so long as there is even a faint possibility that it can be implemented. But the Netherlands and the EU also need to be realistic about the current trajectory of Chinese and US trade policy and to prepare for a more complicated, fluid future wherein frequently shifting agreements are common. If the WTO does falter, Dutch and EU policymakers should be prepared to operate in a manner that allows them to impose a rules-based approach on as wide a basis as possible.

Introduction

In the spring of 2020, amidst increasingly urgent calls from around the world for action to combat the COVID-19 pandemic, the United Nations Security Council (UNSC) found itself adrift. First, in March 2020, with China holding the rotating presidency, the topic was not even discussed. Zhang Jun, China's ambassador to the UN, stated that COVID-19 was not on the agenda because it was a question of global health and security and did not fall within the UNSC's geopolitical scope. China's reluctance to push for action on the issue during its presidency was exacerbated by disagreement with the US about the wording of any resolution or declaration. The US demanded that the document state that the virus originated in Wuhan, China; Chinese diplomats insisted that any resolution or declaration praise China's handling of the crisis.100

After the UNSC presidency passed to the Dominican Republic and Estonia in April and May 2020, respectively, competition between China and the US continued to stymie progress. China led a group of countries that prevented any UNSC discussion of the crisis until April 9. Eventually, negotiations over a draft resolution began, then stalled because of disagreements between the P5 (China, France, Russia, the United Kingdom, and the US), with tension between Beijing and Washington at the heart of the impasse. One Latin American diplomat observed, “[t]hey are in the middle of an ideological and strategic war.” In the meantime, the UN General Assembly (UNGA) passed two COVID-19-related resolutions.101

With China and the US locked in a stalemate, middle powers sought to provide leadership. Responding to an appeal by UN Secretary-General António Guterres for a global ceasefire, France and Tunisia drafted a resolution that would facilitate

a humanitarian ceasefire for at least thirty days in conflicts in places such as Syria, Yemen, Libya, South Sudan, and Congo. However, the US threatened to veto this resolution because it mentioned the World Health Organization (WHO), which Trump has accused of allowing Chinese pressure to influence its management of the crisis. In response, Estonia and Germany introduced yet another draft resolution that omitted mention of the WHO; China then threatened to veto this proposal. Finally, on 1 July, the Council adopted resolution 2532, which focused on a global cease fire and contained an oblique reference to “international health personnel”.

The inability of the UNSC to respond in a timely manner to the COVID-19 pandemic highlights some of the crucial questions facing an institution which is charged with maintaining international peace and security. P5 veto power has long been recognized as one of the foremost challenges facing the organization. In recent years, the three major powers – China, Russia, and the US – have often used vetoes to prevent effective UNSC responses to major crises. To make matters worse, even when the UNSC can authorize action, peacekeeping operations and mandated missions are often plagued by significant shortcomings.

The Netherlands places considerable importance on international peace and stability; in 2020, the Netherlands has allocated €99.8 million towards UN peacekeeping missions and operations and €171.53 million to the UN overall.

**UNSC Reform**

The problem of major powers blocking UNSC action is not new. During the Cold War, the Soviet Union and the United States disagreed on most major issues debated in the UN. There was a period of relative progress following the end of the Cold War when vetoes were used less frequently; nine were used between 1990 and 1999. (For the sake of comparison, 22 vetoes were used between 2010 and 2019.) The highlight of this era was the vote by the Soviet Union and the United States in favor of UNSC resolution 678, which authorized the use of force to dislodge Iraqi troops from Kuwait (China abstained). However, by the early 2000s, use of the veto increased significantly – and always by one of the major powers; France and the United Kingdom have not used their vetoes since 1989.

This long-standing problem of major-power vetoes has generated many calls for reform. The current debate originated in 1993, when UNGA resolution 48/63 created a working group tasked with considering the questions of equitable representation on, and expansion of, the UNSC and its relationship with the UNGA. Over the years,
this group – currently referred to as the Intergovernmental Negotiations framework (IGN) – published various reports but has been unable to foster a consensus. Instead, competing coalitions have emerged. For example, the G4 advocates permanent UNSC membership for its members, Brazil, Germany, India, and Japan. The Uniting for Consensus group (including, among others, Italy, South Korea, Pakistan, Mexico, and Egypt) opposes permanent membership for the G4 and instead favors creating longer-term non-permanent seats. The African Group, representing the continent’s 54 nations, calls for two permanent seats with veto power for Africa.¹⁰³

There have been various efforts to reinvigorate the reform process. In 2016, the IGN circulated “elements of convergence,” which sought to develop a consensus position of the entire UNGA. In March 2017, the G4 members offered to temporarily forgo veto power in return for permanent seats on the UNSC, but this proposal was met with little enthusiasm. IGN meetings were scheduled for March and April 2020, but these have been postponed until further notice on account of the COVID-19 crisis.¹⁰⁴

The chief reason UNSC reform efforts have failed is opposition from the major powers. (France and the United Kingdom support the G4 position as well as greater African representation.) They are loath to dilute their influence by granting the veto to additional countries. Then US ambassador to the UN Niki Haley all but admitted this in 2017 when she said, amidst a discussion of US support for India’s membership, “[This reform of the UN Security Council] is much more about the veto. The permanent five have the ability to veto...and none of them want to give that up. So the key to getting India on the Security Council would have to be not to touch the veto.”¹⁰⁵

In theory, China is willing to consider UNSC expansion if it leads to more influence for developing, and especially African, countries – a position that further boosts its standing in this part of the world – but it will not accept a seat for Japan. Perhaps a better indication of Beijing’s thinking is the fact that it has invested no political capital on the issue. Russia has paid lip service to the notion that the developing world deserves a louder voice on the UNSC, but behind closed doors opposes expansion. Rhetorically, the US is willing to expand the UNSC and, in principle, it supports seats for Germany, India, and Japan. In practice, it has been disinclined to lead on an issue about which it is ambivalent. Even among multilaterally minded US officials, there is little support for changing the status quo, which mostly suits US purposes: The US


has access to a relatively powerful multilateral forum when needed but can veto any major actions it opposes.106

Peace and Stability Operations: The Consequences of UNSC Inaction

UNSC reform is essential, in part, because it is difficult to obtain authorization for peacekeeping operations (though some versions of reform might, in specific cases, hinder approval of operations). In some cases, the results of this inaction have been sobering. In recent years, the most prominent example of P5 vetoes preventing action has been in Syria. After China and Russia vetoed two previous resolutions, both of which had condemned violence perpetrated by the Syrian government against civilians, UNSC resolution 2043 was adopted in April 2012 (and which condemned abuses by the Assad regime as well as by other armed groups). It established the UN Supervision Mission in Syria (UNSMIS), which included a few hundred unarmed military and civilian observers. Escalating levels of violence quickly made even this relatively minor operation untenable. It suspended operations in June and was disbanded in August 2012, without having any notable effect on the course of the conflict. In the years following the suspension of UNSMIS operations, China or Russia (and sometimes both) have vetoed twelve UNSC resolutions condemning violence perpetrated by the various parties in Syria or intended to facilitate the implementation of various peace plans or humanitarian objectives for the region.107 In 2015, UNSC resolution 2254 was adopted, creating a roadmap for the peace process. The resolution aimed for a Syrian-led ceasefire and start to negotiations towards peace. Russia’s non-interventionist stance on Syria clearly influenced the resolution. Certain statements, such as “the Syrian people will decide the Syrian future,” highlight the tendency of countries such as Russia and China to prioritize state sovereignty when it conflicts with humanitarian interests.

The consequences of the nearly decade-long conflict, and the inability of the UNSC (or some other set of actors) to launch an effective peacekeeping operation, have been catastrophic. Human suffering has occurred on a massive scale, with death estimates nearing 600,000 and with more than ten million displaced Syrians.108


The failure of the UNSC to bring a stop to the Syrian Civil War has also had a dramatic influence on geopolitics. The Islamic State (IS) was formed in 1999, but it was only the chaos in Syria, and a period of political weakness in neighboring Iraq, that allowed IS to create a proto state. At its height, the IS caliphate held sway over an estimated 2.5 million people and 45,000 kilometers. For a short time, IS threatened the territorial integrity of neighboring Iraq and inspired affiliates and imitators throughout the Middle East, Asia, and Africa. Chaos in Syria also had a notable impact on Europe and North America. The European migrant crisis has been fueled, in large part, by civilians fleeing the Syrian Civil War. At the height of the crisis, in 2015-2016, the majority of migrants were Syrian. IS also launched or inspired numerous terrorist attacks, including deadly incidents in Barcelona, Brussels, Manchester, New York, and Paris.¹⁰⁹

Vetoes and behind-the-scenes maneuvering have prevented peacekeeping or UN-mandated operations in other sizable conflicts. Since 2014, Russia has vetoed several resolutions intended to address its ongoing campaign in Ukraine. Russian operations in Ukraine since 2014 – including its annexation of Crimea – have resulted in more than 13,000 deaths and 30,000 wounded. Since 1972, the United States has vetoed dozens of resolutions expressing concern about Israel, many of them focusing on steps to end the Israel-Palestine conflict. Three of those vetoes have come in the last decade. Since 2009, several thousand people have died as a result of the conflict, the vast majority of them Palestinians. Gaza and the West Bank remained impoverished and politically impotent and, on both sides, hopes for a peaceful resolution to the conflict have faded. In January 2007, China and Russia vetoed a resolution that would have directed the military leaders of Myanmar to release political prisoners, end attacks on ethnic minorities, and transition to a democratic political system. In August, September, and October 2007, amidst peaceful protests, at least 31 people were killed by government forces and 500-1000 people were detained.¹¹⁰ Since 2017, China – which has close ties to Myanmar’s military – sometimes with Moscow’s backing, has worked behind closed doors to prevent a more assertive UNSC response to the Myanmar government’s persecution of the Rohingya people. Some analysts argue that China’s support, and the UNSC’s inaction, have emboldened officials in Myanmar. One report estimates that as many as 25,000 Rohingyas have been killed, almost 19,000 women


and children were raped, and more than 100,000 suffered beatings or arson. Estimates of the total number of Rohingya refugees vary, but some top one million.111

The major powers have wielded their veto power with differing goals in mind. For more than fifteen years, every US veto has focused on preventing adoption of resolutions it argues unfairly target Israel. Beijing and Moscow have used their vetoes more broadly, with two goals in mind. First, they are used to protecting topics or regions specific to their national interests – Russian interests in Ukraine, for instance, or Chinese interests in the Middle East and Africa. Second, Beijing and Moscow have adopted a long-term strategy, which in part relies on the use of UNSC vetoes, to prevent humanitarian interventions that would infringe upon national sovereignty.

Though this is mostly a shared strategy – China always uses its veto in tandem with Russia and has not used a veto on its own since 1999; Russia is willing to veto resolutions by itself – the underlying thinking differs in a few noteworthy aspects. This reflects, in part, a growing power disparity between the two countries. Russian policymakers and analysts – unlike their Western, and especially European, counterparts – reject the premise that a rules-based international order exists. Moscow acknowledges the existence of international law but considers the rules-based order to be a cynical invention. They view it as having been designed to amplify the West’s power – and disadvantage non-democratic states – by diminishing state sovereignty through the creation of concepts such as the responsibility to protect (R2P). One scholar notes that Russia’s narrow conception of international law “comes against the backdrop of Russia’s sustained effort to break the connection between hard security and the human dimension of democratic governance and human rights.” Yet Russia’s role in the UN and UNSC is mainly that of an impediment; it can do little on its own to shape the direction of the organization.112

In contrast, in recent years China has begun to actively shape the evolution of the UN and UNSC. This has been prompted, in part, by its growing global economic, political, and strategic interests. China’s strategy entails seeking to shift common conceptions of human rights from protecting individual rights and liberty to promoting economic development and defunding aspects of the international human rights regime with which it disagrees. In addition, as US leadership in the organization has waned, China has filled the vacuum, for instance by taking a more assertive, sometimes dominant, role in committee meetings. It has also sought to influence the development of


R2P by participating in debates – previously it only sought to block them – and by narrowing the scope of R2P’s third pillar, which relates to the use of force. China has backed its more assertive stance with money. In 2013, it provided only 3% of the total peacekeeping budget; in 2020, it raised its contribution to 15%, second only to the US, which provides almost 28%.113

**Peace and Stability Operations: Problems on the Ground**

When the UNSC does mandate peacekeeping and stability operations – fourteen are currently in progress – troops on the ground and the officials that work with them face a series of challenges. First, expectations about the organizing principles of peacekeeping operations have changed. Impartiality has long been a key tenet of peacekeeping operations. However, in recent years, the centrality of this principle has begun to shift, largely due to failures in UN peacekeeping during the 1990s. In 1999, Kofi Annan declared “Impartiality does not – and must not – mean neutrality in the face of evil” and a 2000 UN report argued that “where one party to a peace agreement clearly and incontrovertibly is violating its terms, continued equal treatment of all parties by the United Nations can in the best case result in ineffectiveness and in the worst may amount to complicity with evil.”114

The impact of this shift can be seen, for instance, in the MONUSCO mission, in the Democratic Republic of Congo (DRC). On an exceptional basis, peacekeeping troops were bolstered by the creation of a Force Intervention Brigade and mandated in 2013 to “take all necessary measures” to “neutralize” and “disarm” groups that threatened “state authority and civilian security.” The extra troops and latitude proved useful in defeating the M23 rebels, which had occupied a regional capital city, but the episode also drew criticism from China and Russia. They raised concerns that formation of the Force Intervention Brigade – the first time the UN had created a military body tasked with a specific offensive mission – represented a dangerous precedent. They argued that by casting doubt on the impartiality of missions, the Brigade could endanger peacekeepers and the civilian and humanitarian aspects of UN missions.115

Changing notions of impartiality in operations such as MONUSCO highlight another important distinction – between peacekeeping and peace enforcement missions. The use of force at the strategic level for longer periods of time, pursued without the

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consent of local authorities or main parties to the conflict and directed at specific opponents – an approach sometimes referred to as peace enforcement – is a relatively new development for UN troops. It overlaps with the notion of responsibility to protect (R2P), which was endorsed by all UN member states in 2005. R2P has three pillars: protection responsibilities of the state, international assistance and capacity-building, and timely and decisive response. Countries such as China and Russia are wary of the third pillar. This discomfort has been present in Russia at least since the Kosovo War in 1998-1999, which strained NATO-Russia relations, and has spread to other countries since the NATO-led 2011 military operation in Libya. This intervention was authorized by UNSC resolution 1973 and raised concerns in Beijing, Moscow, and elsewhere that peace enforcement missions could someday be directed at them.

Political and structural limitations also hamper the ability of peacekeeping troops to operate in some situations. The 2015 High-Level Independent Panel on U.N. Peace Operations concluded that peacekeeping operations “lack the specific equipment, intelligence, logistics, capabilities and specialized military preparation required” to carry out, for instance, military counter-terrorism operations. These shortcomings have hampered the effectiveness of missions and cost the lives of many troops and civilians. As of May 2020, 209 peacekeepers had been killed as part of the MINUSMA operation in Mali. In South Sudan, during the 2016 Battle of Juba, the UNMISS mission struggled to protect civilians and at least 33 were killed. UN command and control arrangements are also often unsuitable for peacekeeping operations, where the troops are frequently widely dispersed. Traditionally, UN peacekeeping arrangements have combined a lack of strategic command with undue political influence over operations.\textsuperscript{116}

The UN has struggled to understand the political context into which it sends peacekeepers in Africa, in particular. UN mandates may not be suitable for civil war situations, which again raises the question of impartiality. In the MONUSCO operation, peacekeepers were mandated to protect civilians, help consolidate government control over the Congo, and support ongoing military operations. However, this mandate failed to account for a significant factor in the country’s problems – the role of Josef Kabila’s government in spreading unrest and its poor human rights record. This disconnect undermined the credibility of peacekeepers with the very civilians they were intended to protect.\textsuperscript{117}


\textsuperscript{117} Nicolas Salaün, “The Challenges Faced by UN Peacekeeping Operations in Africa” (The Strategy Bridge, October 14, 2019).
A final challenge confronting UN peacekeeping operations is posed by the troops themselves. In spite of many attempts to institute reform, many UN peacekeepers have been guilty of sexual exploitation and abuse. Analysts have documented numerous examples of a predatory culture, wherein peacekeepers force vulnerable individuals to provide sexual favors in exchange for food or small sums of money. Reports also include instances of rape at gunpoint. A 2017 Associated Press investigation found nearly 2,000 allegations of sexual exploitation and abuse by peacekeepers and other personnel around the world between 2005 and 2017. In particular, there were a large number of allegations of sexual abuse and assault during the MINUSTAH operation in Haiti, which concluded in 2017, including a child sex ring involving at least 134 Sri Lankan peacekeepers. Between April and June 2019, the UN received 38 accusations of sexual exploitation and abuse involving UN personnel; 14 of those allegations involved civilian and uniformed personnel in peacekeeping operations.118

Assessing the Consequences of Violent Conflict

Given the lengthy list of problems detailed in this report, it is clear that the UNSC is an imperfect institution. However, that does not necessarily mean that its role should be significantly reduced or that it should be altogether discarded. To judge whether that would be appropriate, it is first necessary to imagine what a world without the UNSC would look like. Ample evidence indicates that the international system is becoming more unstable across a number of sectors, including trade, nuclear weapons, climate change, East Asia, and the Middle East; how much worse would the situation be if the institution most responsible with maintaining international peace and security did not exist?119

One way to address this question is to measure the effect of violent conflict. The most direct cost of war is the loss of human life. One study estimates that 770,000-801,000 people have been killed as a direct result of the post-2001 wars in the Middle East and South Asia. The number of people killed as an indirect result of these conflicts – as a consequence of, for instance, hunger, water loss, sewage and other infrastructural problems, and war-related disease – is likely several times higher.120 These wars have also had a profound impact on survivors in the region. Experts estimate that 21 million Afghan, Iraqi, Pakistani, and Syrian people are living as refugees and internally displaced persons, often in inhumane conditions.121

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120  Crawford and Lutz, “Human Costs of War.”
121  Crawford and Lutz, “Human Costs of War.”
The impact of violent conflict extends far beyond death and displacement; wars also take a financial toll. We can assess this impact in various ways. At the broadest level, according to the Institute of Economics and Peace, in 2018 violence cost the world economy $14.1 trillion. This is equivalent to 11.2 per cent of global GDP, or approximately $1,850 per person.\textsuperscript{122}

We can also trace more complex and long-term consequences of war. Thanks in no small part to the stabilizing influence of institutions such as the UNSC, \textit{interstate} conflict has decreased significantly since World War II. Yet over the last 70 years, \textit{intrastate} conflict has become more common, particularly in developing countries. These conflicts frequently last for a number of years and have a sustained negative effect on the economic development of countries involved. In fact, violent conflict tends to create a negative cycle: war hampers economic development in affected countries, which in turn makes future war in those countries more likely. (The inverse is also true: countries undergoing positive economic development face a reduced risk of conflict.)\textsuperscript{123} War even harms countries not directly involved in conflict, by means of a “spillover effect,” in which conflict in one country negatively affects the economic health of neighboring countries. Hence, it can destabilize entire regions.\textsuperscript{124} One researcher estimates that major conflicts can reduce international trade flows by up to 67%, with exporters suffering more on average than importing nations.\textsuperscript{125} Such figures do not take into account damage done by war to social and political development.\textsuperscript{126}

The US offers a cautionary tale about the human and economic costs of extended conflict. More than 7,000 US soldiers have been killed in wars since 2001 and thousands more private contractors have died. In addition, hundreds of thousands of soldiers have been wounded. Suicides among soldiers and veterans have become a significant public health problem. The suicide rate for active-duty US military members in 2018 was the highest on record since 2001 and the suicide rate for veterans is about 1.5 times that of the rest of the population.\textsuperscript{127}

The economic costs to the US of the post-2001 wars have been substantial. One report calculates that the US has spent $2 trillion directly on these conflicts. The interest payments on that spending amount to $925 billion and are projected to rise to $6.5 trillion by 2050. Overall, the US has spent approximately $6.4 trillion on the post-9/11 wars, including at least $1 trillion to care for veterans. There is also an opportunity cost for these massive sums of war-related spending. According to a study by the

\begin{flushright}
\textsuperscript{122} Vision of Humanity, Institute for Economics and Peace, “Global Peace Index.”
\textsuperscript{124} Marano, Cuervo-Cazurra, and Kwok, “Impact of conflict types,” 197-224.
\textsuperscript{125} Kamin, “The Impact of Conflict.”
\textsuperscript{126} Stephen, “Partnerships in Conflict.”
\end{flushright}
Costs of War project at Brown University, the US spent an average of $260 billion per year on waging war between 2001 and 2019. This type of spending does generate employment – an estimated 6.9 jobs per $1 million spent, or about 1.8 million jobs per year – but at significantly lower levels than other types of government expenditure. Spending on the clean energy industry or infrastructure creates approximately 9.8 jobs per $1 million spent, or 40% more than war-related spending; government spending on healthcare creates 14.3 jobs per $1 million, or 100% more jobs; and government spending on education creates 15.2 jobs per $1 million, or 120% more jobs. In sum, if the US had allocated $260 billion per year to non-violent purposes, it could have created an average of 1.4 million more jobs per year.\(^{128}\)

**Implications for the Netherlands and for Europe**

Relying on the UNSC to promote international peace and security is often frustrating. The difficulty of obtaining passage of effective UNSC resolutions on pressing international questions such as Syria, Ukraine, and the Israel-Palestine conflict makes the world less safe than it otherwise could be. When peacekeeping operations are approved, they often operate at a suboptimal level. Efforts to make peacekeeping more effective, including mandating more robust missions such as MONUSCO and the Force Intervention Brigade, have enjoyed some success, but they have also raised new questions about impartiality, at the local level, and become part of broader geopolitical debates about peacekeeping versus peace enforcement. Peacekeepers themselves have also caused headaches; the problem of sexual abuse and exploitation is particularly worrisome, and despite concerted efforts on the part of the UN, it has not been eradicated.

The case for reforming the UNSC – in concert with other measures designed to enhance international peace and security – is further strengthened when we survey the enormous good done by the institution. At the broadest level, the UNSC provides difficult to measure, but still observable, benefits to global order. The UN and UNSC contribute a degree of deterrence to large-scale state aggression. It is not a coincidence that, since the end of World War II, there has not been a protracted major power conflict; one of the key factors discouraging potential aggressor states is the existence of a flawed but still functional forum where military aggression can be debated and potentially checked. (The contrast with the impotent League of Nations, and the proliferation of violent conflict in the 1930s and 1940s, is instructive in this regard.) The presence of such an institution is especially valuable to a small, wealthy,

democratic nation such as the Netherlands, which disproportionately benefits from peace, stability, and the ability to trade freely.\textsuperscript{129}

The UNSC facilitates action that the Netherlands or Europe would find difficult to accomplish unilaterally. The Netherlands’ 2018 Integrated Foreign Affairs and Security Strategy is organized around the principles of preventing conflict and threats around the Netherlands and Europe; defending Dutch and European territory, society, and economic interests; and strengthening the rules-based international order and international security cooperation. The UNSC contributes to each of these areas of emphasis. UNSC action against North Korea offers a case in point. In response to its development of increasingly sophisticated nuclear weapons outside the scope of the Treaty on the Non-Proliferation of Nuclear Weapons, the UNSC has sanctioned Pyongyang five times since 2006, including UNSC resolution 2397 in 2017. Measures include restrictions on travel, trade, and financial assets. North Korea remains a threat to regional and global security, but the UNSC has been able to unite in opposition to its activities.

By participating in a UN peacekeeping mission in Mali, MINUSMA, from 2013-2019, the Netherlands was able to further a key objective by taking, as a government letter to parliament stated, an “international approach to the Netherlands security...primarily aimed at unstable regions around Europe.” Taking part in MINUSMA yielded two benefits. First, MINUSMA made a difference in Mali where, according to the International Organization for Migration, by the end of 2018, 525,000 displaced persons and 66,500 refugees had been returned to the country. Second, participating in MINUSMA raised the international profile of the Netherlands and bolstered its image as a capable and dependable partner – an especially useful reputation to promote for a small country.\textsuperscript{130}

Participation in the UNSC offers the Netherlands an opportunity to exert influence disproportionate to its size and power. As a non-permanent member of the UNSC in 2018, the Netherlands was able to focus the UNSC’s attention on key issues. It initiated resolution 2417, which condemned the practice of starving civilians as a method of warfare, denounced the unlawful denial of humanitarian access to civilian populations, and enhanced the power of the Secretary-General to voice his concerns about conditions in specific countries in briefings to the UNSC. It also gained the agreement of Belgium and Germany, both of which followed the Netherlands as non-permanent members of the UNSC, to continue highlighting the linkages between hunger and conflict. During its tenure on the UNSC, the Netherlands was also able to influence the debate on reforming peacekeeping operations. It promoted measures

\textsuperscript{129} Mazarr and Rhoades, \textit{Testing the Value}, 41-43.
\textsuperscript{130} Blok et al., “Nederlandse deelname aan vredesmissies.”; Ministerie van Buitenlandse Zaken “Wereldwijd Een Veilig Nederland.”
such as more and better use of intelligence in UN missions; a more holistic approach to missions; “force generation” that could improve the UN’s critical capabilities; better integration of civil and military leadership; and improved cooperation with regional organizations. An issue the Netherlands was able to emphasize throughout the duration of its UNSC stint was the importance of UN resolution 1325, which highlights the disproportionate impact of armed conflict on women and girls.131

The Netherlands gets these significant benefits at a relative discount. For the overall 2019-2020 peacekeeping budget of $6.5 billion, the Netherlands contributed $87.75 million, or only about 1.35%. This contrasts favorably with China and the US, which contribute a much higher share of the peacekeeping budget, both in absolute and proportional terms. For its 2018 role on the UNSC, the Netherlands paid around $435,000 in subsidies and $4.5 million in contributions.132

The significant return on its relatively modest investment to the UNSC means that it would behoove the Netherlands to do everything in its power to ensure that the institution continues to play an active role in international peace and stability. That said, the Netherlands should not accept the situation as it stands; the UNSC is a flawed institution that accomplishes less than it should. The Netherlands can and should take additional steps to protect its own interests and values in the realms of international peace and stability. First, it should continue to promote the cause of UNSC reform. To be sure, substantial changes remain unlikely for now, but the Netherlands, working with like-minded democratic middle powers, should work to lower the resistance of the major powers to improving the UNSC’s effectiveness.

The Netherlands should work through the UNSC when feasible, but because the institution is so often deadlocked, it will at times be necessary to work at the regional level and with like-minded partners. In other words, the Netherlands should be open to new forms of multilateralism in the peace and security sphere, especially in the unstable regions around Europe that most affect Dutch interests. The EU has already demonstrated some capacity in this respect – it currently oversees six military and civilian missions and operations in regions in and bordering Europe – and it is likely that there will be scope for more such EU-level activity in the future. After years of suffering from an identity crisis, NATO is relevant again and is navigating challenges from the east (Russia and China), the south (migration and instability), and the West (US ambivalence). In addition to its traditional role as a collective guarantee against major power aggression, NATO currently oversees a number of missions around the world. Despite the difficulties that sometimes come with participating in such

131 Bijleveld-Schouten and Blok, “Kamerbrief inzet van Nederland.”
activities, the Dutch investment in NATO is a small price to pay for membership in what is frequently called the most successful alliance in history.

Finally, the Netherlands should continue the frustrating but necessary exercise of engaging the UNSC’s major powers on issues that affect Dutch interests and values. For different reasons, China, Russia, and the United States are difficult interlocutors, but each wields considerable influence in Europe and other key regions. There are opportunities for dialogue and cooperation in each case, and the Netherlands should be pragmatic enough to engage these countries. It is also worth noting that, while the US is currently difficult to work with, traditionally it has been the single most important security partner for the Netherlands. Though the US will, at times, be a less consistent partner than it was between 1945 and 2016, and will be increasingly preoccupied with China, its utility will not disappear. Indeed, on most measures it is still the world’s most influential nation and it remains the single biggest contributor to multilateral institutions such as the UN and its peacekeeping operations. Hence, its interests and values still frequently overlap with those of the Netherlands, and future US administrations will be more likely to act in ways that demonstrate that fact.
Annex 3: Human Rights at the United Nations

Introduction

Few countries place more importance on human rights than the Netherlands, which boasts one of the best human rights records in the world. The Dutch government views human rights as a crucial component of functioning democracies that must be protected. The Netherlands promotes human rights worldwide in six priority areas: freedom of expression, internet freedom and independent journalism; freedom of religion and belief; equal rights for women and girls; protection of human rights defenders; worldwide legal equality for LGBTQ people; and promotion of the international rule of law and the fight against impunity.

The Netherlands has made a sizeable commitment to funding human rights – it is one of the biggest contributors to UN human rights initiatives. In 2019, the Netherlands voluntarily contributed €11,950,235.96 to the Office of the High Commissioner for Human Rights (OHCHR), which ranked fifth, behind only the European Commission, Norway, Sweden, and the United States. In addition, from 2020-2022, the Netherlands is one of 47 countries serving on the Human Rights Council (HRC).

In light of these significant investments of time and money, it is reasonable to ask whether the Netherlands is getting its money’s worth. On one hand, there is ample reason for concern about the efficacy of the UN’s human rights institutions. They are plagued by long-term structural problems and the major powers are undermining the effectiveness of the UN’s work on human rights. On the other hand, the Netherlands derives substantial benefits from the international human rights regimes.

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134 Ministerie van Buitenlandse Zaken, “Mensenrechtenrapportage 2019.” See also “Human rights report 2018.”

135 In theory, the OHCHR and HRC receive their funding via the UN general budget, but in practice rely on additional voluntary contributions to cover budget shortfalls.
Structural Problems in the HRC and OHCHR

The HRC is plagued by doubts about its legitimacy. Like its predecessor, the CHR, the HRC always includes a number of members with non-democratic governments and poor track records in key areas. In the eyes of many, this renders the institution unfit to serve as the world’s foremost guardian of human rights. As US-based NGO Freedom House noted in 2018, after recent elections for the HRC, 52% of the body’s members were rated either not free or only partly free.\(^{136}\) This concern has become more pressing over the last decade, as two major powers, China and Russia, have begun a campaign to undermine the HRC from within.

Another problem facing the HRC and OHCHR is criticism that human rights at the UN are a selective process. On this issue, the divide is primarily based on geography and per-capita GDP. High-income countries argue that UN procedures are not even-handed when it comes to the Israel-Palestine conflict and tend to be overly critical of Israel. The United States, in particular, frequently raises this objection. In March 2020, US Secretary of State Mike Pompeo criticized the OHCHR for creating a database of companies operating in Palestinian territory occupied by Israel, arguing that the database “facilitates the discriminatory boycott, divestment and sanction (BDS) campaign, and delegitimizes Israel.” Meanwhile, many low and middle-income countries – sometimes with the support of China and Russia – contend that Western countries are quick to highlight human rights problems in other countries but tend to overlook abuses perpetrated by their allies.\(^ {137}\)

A third structural challenge facing the HRC and OHCHR relates to the nature of human rights activities they should undertake, especially when it comes to the notion of responsibility to protect (R2P). This debate has become more polarized since the UNSC passed Resolution 1973 in 2011, which called upon the Libyan authorities to protect citizens endangered by the country’s civil war and which formed the basis for the 2011 NATO-led military intervention Operation Unified Protector. Even though they did not veto the UN resolution, China and Russia – along with other countries, such as India and South Africa – criticized the operation. Motivated by a combination of geopolitical calculations and concerns that R2P could one day be directed at them, Beijing and Moscow vetoed subsequent attempts to pass R2P-based UN resolutions regarding interventions in the Syrian Civil War. Yet many continue to defend R2P. The Group of Friends of the Responsibility to Protect consists of 53 countries (the


Netherlands is co-chair of the Geneva-based version) and the EU. R2P also garners support from many international institutions and NGOs. Even China has retreated somewhat from its post-2011 position. It now favors R2P in some instances, though this reversal needs to be viewed within the context of Beijing’s strategy vis-à-vis human rights at the UN: participation in order to narrow the powers of the institutions. Accordingly, China only supports R2P in instances where the intervention will not significantly change the target country’s political institutions.\footnote{Simon Tisdall, “The consensus on intervention in Libya has shattered,” \textit{The Guardian}, March 23, 2011; Michelle Nichols, “Russia casts 13th veto of U.N. Security Council action during Syrian war,” \textit{Reuters}, September 19, 2019; Courtney J. Fung, “China and the Responsibility to Protect: From Opposition to Advocacy” (United States Institute of Peace, June 8, 2016).}

**Major Powers, Geopolitics, and Human Rights**

The HRC and OHCHR are being undermined by major powers – China, Russia, and the US – which are seeking to reshape the UN’s human rights institutions. China and Russia are cooperating in pursuing a strategy of trying to alter the institutions from within. They have enjoyed some success in these efforts, which have been bolstered by the withdrawal of the US from the HRC in 2018. China is the dominant partner and has partly camouflaged its agenda with a more constructive message on issues such as development and climate change.\footnote{Colum Lynch, “At the UN, China and Russia Score Win in War on Human Rights,” \textit{Foreign Policy}, March 26, 2018.}

Since 2013, when Xi Jinping became president and China rejoined the HRC, Beijing has become an active participant in human rights debates. Previously, it mainly acted in a defensive manner, seeking to rebut criticism of its human rights record and to water down enforcement mechanisms. In recent years, however, it has sought to revamp UN agencies so that they more closely resemble Chinese thinking. This includes promoting “win-win-cooperation,” based on socialism with Chinese characteristics, as the best way to advance human rights and seeking to infuse UN language with “Xi Jinping thought.” To this end, it has become adept at achieving positions of influence within the UN human rights institutions. For instance, in April 2020 it was appointed to an important HRC panel, the Consultative Group, which is comprised of only 5 nations. This means China will be able to wield considerable influence in the selection of special procedures investigators, who monitor and report on specific countries or issue areas.\footnote{“China joins U.N. human rights panel, will help pick experts on free speech, health, arbitrary detention,” \textit{UN Watch}, April 3, 2020.}

China and Russia have used their influence in the UN to track, and where possible suppress, unwelcome information from UN and independent human rights advocates. A human rights lawyer at the UN, Emily Riley, alleged in a 2013 letter to US officials that the OHCHR was providing Beijing in advance of meetings with the names of
human rights activists planning to attend. Riley’s account, initially denied by the UN, was later confirmed by the UN Ethics Office, with the assistance of the Dutch government. A 2017 report compiled by an HRC special rapporteur, former Algerian ambassador Idriss Jazairy, criticized US and EU sanctions on Russia. Jazairy received $50,000 from Russia for the report, which Russian diplomats at the UN used to bolster their arguments that the sanctions were illegal. In 2018, China and Russia blocked the then UN High Commissioner for Human Rights, Zeid Raad al-Hussein, from speaking to the UNSC in formal session about abuses in Syria.\textsuperscript{141}

China and Russia have led a group of countries that have sought to impede UN human rights activities by cutting funding in the Fifth Committee, the UN’s budgetary arm. China, in particular, has become a powerful player in the Fifth Committee; in 2019 Hu Zejun, head of China’s National Audit Office, was elected as a member of the UN’s three-person board of auditors and will hold the position for six years, starting in July 2020. At times, Beijing and Russia have been unwittingly assisted by Washington, whose continued advocacy for human rights at the UN is undercut by its demands for significant budget cuts. Beijing and Moscow successfully lobbied in 2018 to cut funding for the UN Human Rights Up Front initiative, which had been established in 2014, in part, to bolster the importance of human rights within the UN, especially within the context of conflicts. They also succeeded in 2018 in reducing funding for posts, attached to peacekeeping missions in hotspots, designed to investigate and prevent human rights abuses. An expert at Human Rights Watch warned that the long-term strategy is designed to “essentially remove the human rights pillar from the UN post by post.”\textsuperscript{142}

The US poses a different set of problems for human rights at the UN. Though the United States has a long history of international leadership in this area, it also has a habit of violating norms and undermining international human rights bodies. To an extent this tendency is cyclical; Democratic administrations generally view the UN agencies as flawed but vital, whereas Republican administrations increasingly have become hostile. The United States withdrew from the HRC in June 2018, ostensibly in reaction to what it called anti-Israel bias. However, the decision is part of a broader pattern; the Trump administration has withdrawn from numerous other international agreements and organizations.

\textsuperscript{141} UN denial it handed activist names to China contradicted by Dutch FM disclosures,” UN Watch, January 22, 2019; Ben Evansky, “UN Human Rights Office accused of helping China keep an eye on dissidents,” Fox News, December 14, 2019; “Report of the Special Rapporteur on the negative impact of unilateral coercive measures on the enjoyment of human rights, on his mission to the Russian Federation,” September 29, 2017; “Russia gave $50,000 to UN expert who wrote report calling Russia a victim,” UN Watch, September 14, 2017; Lynch, “UN War on Human Rights.”

In 2019, the US Department of State created a new panel, the Commission on Unalienable Rights, to advise Secretary of State Mike Pompeo. Early indications are that the commission – which the Department of State describes as having been designed to “provide fresh thinking about human rights discourse where such discourse has departed from our nation’s founding principles of natural law and natural rights” – will seek to reorient US human rights policy along more socially conservative lines. It will also, suggests Pompeo, serve as leverage for US policymakers hoping to curtail the agendas of key human rights institutions. The OHCHR, HRC, and other international bodies, argues Pompeo, have lost sight of their “original missions. Many have embraced and even accelerated the proliferation of rights claims—and all but abandoned serious efforts to protect fundamental freedoms.”

**Implications for Multilateralism and for the Netherlands**

The problems facing the HRC and OHCHR at the UN are formidable. For years, UN human rights initiatives were constrained by structural problems. Those problems are now being exacerbated by the behavior of three major powers. The approach of China and Russia – to starve human rights efforts of funding and to remake the institution from within – is set to continue for the foreseeable future. Not surprisingly, it frequently garners support from authoritarian regimes such as Cuba and Saudi Arabia. Of greater concern is the backing it receives from partial democracies such as India, Indonesia, and the Philippines – a fact which suggests that defenders of human rights face an uphill battle to expand the number of states willing to support their agenda. A further concern is the role of the United States, which is playing less of a leadership role than in previous years and, at times, is actively undermining human rights at the UN.

In spite of such challenges, the benefits of international cooperation on human rights are unmistakable. We can quantify the advantages on several levels. Abroad, the Netherlands helps to sustain a web of institutions, norms, and processes that – as an ample body of evidence demonstrates – affect state behavior. For instance, human rights conventions provide the basis for pressuring signatories that are not meeting their commitments and encourage the development and operation of domestic groups that can influence state behavior from within. UN human rights bodies also work in tandem with international organizations to penalize countries with poor track records, for instance when it comes to multilateral loan commitments.

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There is also evidence indicating that improving human rights fosters economic growth. Researchers at the Danish Institute for Human Rights found direct correlations between, on one hand, improvements in four categories of social development and economic growth, including economic inequality, human development, institutions and governance, and on the other hand conflict and instability. In addition, at the global level, improving access to basic education and healthcare has a significant positive effect on economic growth and it contributes to growth in countries with low levels of development in those areas. Closer to home, over the long run, freedom of assembly and association and electoral self-determination make a significant contribution to economic growth in Europe (as well as in Sub-Saharan Africa). In complimentary research, an academic at the University of Utah found that between 1965 and 2010, governments that improved their protections against torture, political imprisonment, extrajudicial killings, and disappearances experienced increased economic growth rates.145

There are a number of mostly complementary explanations for the positive relationship between human rights and economic growth. One theory asserts that by making the investments and building the institutions necessary to protect human rights – holding free and fair elections, maintaining an impartial and effective judiciary, and training law enforcement officers to respect individual rights – governments signal to investors and other economic actors that their rights will also be protected. A corollary to this school of thought contends that order and stability provide the best environment for encouraging economic activity and that protecting rights, rather than suppressing them, is the best way to create such an atmosphere. Another scholar suggests that upholding civil liberties such as freedom of speech, the press, and assembly, encourages the exchange of ideas and thereby enhances creativity.146

Despite the many questions facing human rights institutions at the UN, they remain a powerful tool to further the broader goals of fostering economic growth, bolstering key international institutions, and spreading democratic values. Ceasing cooperation with other countries on human rights at the UN would undermine Dutch interests. At the same time, policymakers should consider the changes at the UN and in the international landscape. This suggests a two-track strategy moving forward. On one hand, Dutch officials should redouble efforts, working in concert with like-minded


countries, to ensure that human rights remain a central component of the UN’s mission. China and Russia, with the support of a significant number of countries, have adopted a long-term strategy of slowly but surely destroying the UN’s human rights functions; the approach of the Netherlands and other democracies must be similarly far-reaching and patient. They need to work on multiple fronts simultaneously – defending the budget, supporting the ability of UN officials and independent advocates to do their work and to share the results, and convincing wavering countries to support human rights in key votes.

On the other hand, Dutch policymakers and their counterparts in other democratic countries will need to get creative if they wish to pursue an active human rights agenda, because much of their time and energy at the UN is going to be spent fighting to prevent a further deterioration of the situation. This will mean investing more time and money in other forums. This will include at the regional level; for instance, the EU and the Council of Europe have a robust human rights agenda and the OSCE does important, if often overlooked, work. It should also encompass redoubling partnerships with the many civil society organizations involved in safeguarding human rights. These organizations face renewed pressure from authoritarian regimes, even as their work continues to be of vital importance.
Bibliography


Adjusting the Multilateral System to Safeguard Dutch Interests


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