Amid the Rise of Unilateralism: Reinventing Multilateral Cooperation and Roles of Northeast Asian Countries to Achieve the SDGs

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1. North-East Asian Development Cooperation Forum (NEADCF) as Multilateral Approach

Development cooperation for growth and poverty reduction is a huge task that requires joint coordination and actions among all stakeholders. The need for stakeholder coordination has led the international development fraternity to create a number of multilateral approaches since the end of World War II. These approaches encompass mutually coordinated and agreed policies, such as the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs), as well as regional and multilateral aid institutions, including the United Nations, World Bank, International Monetary Fund (IMF), Asian Development Bank (ADB), African Development Bank (AfDB) and Inter-American Development Bank (IDB).

The Northeast Asian region has played an important role in the development of such multilateral aid mechanisms. As the Concept Note of NEADCF 2019 (ESCAP East and North-East Asia Office et al. 2019, p. 2) indicates:

Northeast Asian countries emerge as solid contributors for traditional and emerging multilateral facilities. For instance, Republic of Korea has been allocating around a quarter to 30% of its gross ODA to the multilateral development system (core contribution) for the past decade. Amount of core contribution actually increased by more than threefold from 2007 to 2016, reflecting the increase of its contribution to the total ODA. Japan’s use of the multilateral development system has increased by 66% from 2007 to 2016, accounting for one-fifth of gross ODA (for core contribution) in 2016. China has been newly recognized as a lead provider for infrastructure building in the world through its contribution to the Asian Infrastructure Investment Bank (AIIB), the New Development Bank and the Belt and Road Initiative. Likewise, Japan has supported the Asian Development Bank (ADB) as the main sponsor for decades. Korea plays key roles in both AIIB and ADB, and enhances its presence as an OECD/DAC donor. Russia is also an active player of multilateral frameworks such as the Eurasian Economic Community and the Shanghai Cooperation Organization.

In parallel with these developments, research communities are also creating multilateral networks in Northeast Asia. The North-East Asia Development Cooperation Forum (NEADCF) was first held in November 2014 in Seoul to facilitate analytical discussions of policies and practices of development cooperation, as well as to identify potential areas of collaboration among North-East Asian countries. The forum was organized by the UN Economic and Social Commission for Asia and the Pacific (ESCAP)’s East and North-East Asia Office in collaboration with the China International Development Research Network (CIDRN), the Japan Society for International Development (JASID), the Korea Association for International Development and Cooperation (KAIDEC), and
the Russian Association of International Development Assistance Experts (RAIDAE). The forum has steadily developed through its annual meetings—the second meeting was held in Tokyo in 2015, followed by Suzhou in 2016, Moscow in 2017, Seoul in 2018 and Tokyo in 2019. The fora have discussed a variety of issues on development cooperation, such as the transition from being an aid recipient to aid donor, regional collaboration for SDGs, the security-development nexus, and evaluation. NEADCF functions as a multilateral forum to discuss and exchange views and practical experiences related to development cooperation.

Despite this progress, multilateral approaches to development cooperation appear to be facing a couple of crises. As Kondoh (2019) indicates in this special issue, some donors have been reverting to "the bilateralization of aid," in which individual donors reduce multilateral aid while increasing bilateral aid to secure their national interests and provide accountability to their taxpayers. There are also cases of "unilateralization of aid," in which donors withdraw from their commitments to multilateral aid that are purportedly incompatible to their own national interests. In addition to these developments inside the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) members, emerging countries—those outside the DAC community—are establishing their own multilateral aid by extending their bilateral South-South cooperation, or in other words, "the multilateralization of South-South cooperation."

With these developments inside and outside the DAC community, prospects for multilateral aid have become one of the hot research topics of international development. Consequently, ESCAP, JASID and Japan International Cooperation Agency (JICA) Research Institute (JICA-RI) held the Sixth NEADCF on the 27th and 28th of September 2019 in Tokyo with the title of "Reinventing Multilateral Cooperation and Roles of Northeast Asian Countries to Achieve SDGs," which was raised by Tatsufumi Yamagata, the President of JASID. In particular, the Forum 2019 discussed roles of multilateral aid in achieving the SDGs, and balancing the national interests of individual states with universal goals such as poverty reduction and basic needs (ESCAP East and North-East Asia Office et al. 2019, p. 2).

This special issue is one of the outcomes of the NEADCF. Questions discussed in this special issue are as follows:

1. What forms of multilateral aid have been established since World War II?
2. What recent developments in multilateral aid have occurred?
3. What are the future prospects of multilateral aid?

This short editorial article offers a brief synthesis of how six experts from three countries in Northeast Asia observe, understand, and argue about the developments and prospects for multilateral assistance. It is hoped that this special issue will lead the discussion on the changing nature of multilateral assistance, and that this will have a significant impact on the field of international development.

2. What Does Recent Multilateral Aid Look Like? Structure of the Special Issue

Some of the traditional donors in the North seem to have weakened their commitment to multilateral assistance. As Kondoh (2019) indicates, under the Trump presidency, the US has made claims for unilateral action on issues related to diplomacy, security and the international economy. For example, President Trump stopped US contributions to the UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA). This weakening of the international commitment to multilateral assistance is not an exception, with some other countries also adopting this approach.

Ogawa (2019), in her article titled "Normality of International Norms: Power, Interests, and Knowledge in Japan’s ODA Politics" for this special issue, points out that Japan’s aid has recently been returning to its traditional focus on national interests. Japan’s aid was once criticized by other DAC members for being a purveyor of "rogue
aid,” by which a country is preoccupied with its national economic interests. Japan’s approach to aid seems to have paid little attention to multilaterally agreed norms—although by the 2000s, Japan’s focus on its national economic interests had been diluted. In 2018, the Abe administration raised a new concept for development cooperation: “quality infrastructure.” This concept enhances the scope for Japan’s aid to contribute to Japanese diplomatic and national economic interests. While Japan’s aid should be strategically and effectively mobilized as a key diplomatic instrument, it should invest in “quality infrastructure” in developing countries, thereby also benefitting Japanese economic interests. What is interesting is that, while this concept seems to be a return to the unilateralization or bilateralization of its aid, as an aid norm entrepreneur, Japan has been rather successful in spreading the concept of “quality infrastructure” to other donors. In this sense, Ogawa argues that the concept of “quality infrastructure” functions as a kind of new “aid norm,” which is being multilaterally shared. The multilateralization of aid for national interests was possible since it does fit in the current context of (1) Japan’s prolonged fiscal constraints, (2) insufficient investment in economic infrastructure, as AIIB indicates, and (3) the significance of economic infrastructure in development, reaffirmed by the SDGs. Under the Abe administration, Japan has been by focusing on the role of “ideas” rather than constraining funds and has therefore been successful in the normalization of “quality infrastructure.” What could be suggested is that unilateralization or bilateralization of aid may be compatible with the multilateralization of new aid norms. As long as other donors widely share new aid norms, even the unilateralization and bilateralization of aid may multilaterally be justified.

The most salient development—something that may undermine the traditional multilateral aid system—is coming from the emerging countries, including China. In the paper by Zhang and Miao (2019) titled “China’s Participation in International Multilateral Assistance,” the two authors indicate that, while China initially emerged as a bilateral aid donor, it became gradually engaged in multilateral aid from the 1970s. While in these early years, China’s role was as an aid recipient, from 2005, it started to offer multilateral assistance, and from 2013, China and other emerging countries finally established their own new multilateral assistance systems such as AIIB and BRICS Bank (Zhang and Miao 2019). Despite the public fanfare at the launch of its new multilateral assistance systems, it seems premature to conclude that China’s multilateral assistance may thoroughly undermine traditional multilateral aid. Zhang and Miao point out that China’s multilateral assistance is managed in a decentralized manner by many government ministries and it consequently lacks efficient management. In addition, although China is establishing a number of new development norms such as “win-win cooperation”, “mutual reciprocity”, “common development”, “harmonious development”, “coordinative and creative development” and “shared development”, China’s normative influence is still too limited to multilaterally propagate these new norms to other countries. Zhang and Miao thus conclude that new multilateral assistance systems, initiated by China’s leadership, require greater collaboration with traditional multilateral aid systems to enhance their institutional learning.

This point of the developing new multilateralism by emerging countries is also illustrated by Kondoh’s article, titled “Unilateralism versus Multilateralism? Emerging Countries and Emerging Multilateralisms.” Kondoh (2019) discusses how “the issue of aid is not ruled by the dichotomous debate of ‘unilateralism or multilateralism.’” Both Gulf donors and China have recently been reinforcing their commitments to multilateral assistance. Gulf donors have developed their own multilateral aid coordination mechanisms on a regional level while they have also been collaborating with traditional multilateral aid. China has “its distinctive aid norms and the exceptional power to institutionalize its new multilateral aid structure on a global level” (Kondoh 2019). Despite its huge potential to challenge traditional multilateralism, China has been taking a careful approach towards the operation of new multilateral aid institutions, and it has not immediately sought to challenge traditional aid systems. As a result, Kondoh points out that “new and diverse multilateralisms are emerging.” This new development in multilateral aid urges donors to rethink the relevance of individual multilateralisms.

Traditional donors are transforming their approaches to multilateral aid, while new donors are emerging as multilateral aid providers. As the relevance of traditional multilateral aid is likely to continue to matter, traditional multilateral aid systems may also be transformed. In their paper titled “The Reform of the UN Development Sys-
tem and its Implications for Multilateral Aid Channels,” Sohn and Choi (2019) pay attention to the UN Development System (UNDS), which was reformed in 2018 to improve aid effectiveness. The former UN system was criticized for having several drawbacks in terms of (1) the fragmentation of aid resources, (2) the imbalance between core contributions and earmarked funding, (3) the complicated practices due to the high amount of autonomy exercised by individual UN institutions, and (4) low accountability for results and low transparency (Sohn and Choi 2019). To address these drawbacks and to improve aid effectiveness toward achieving the SDGs, the UN requested (1) the development of a system-side strategic document, (2) the generation of new UN country teams, (3) a reinvigoration of the resident coordinator system, (4) a revamped regional approach/reformed Regional Coordination System, (5) the establishment of strategic direction and accountability for system-wide results, (6) the creation of partnerships, and (7) the development of a funding compact (Sohn and Choi 2019). The two authors argue that “The SDGs are world-changing goals for both developed and developing countries, and the reform of the UNDS provides more coherence and accountability for the provision of aid.” To realize such a huge task as the SDGs, the UN, as one of the prominent multilateral aid systems, is expected to promote more internal coordination and more resource integration. Through the reform of the UNDS for more effective, coherent, accountable and transparent aid channels, the international aid community may be “one step closer to accomplishing the Agenda 2030 goals” (Sohn and Choi 2019).

This short editorial highlights the current situation in which multilateral aid persists. Although traditional multilateral aid is facing a range of crises, the resolution may not lie in deciding between “unilateralism or multilateralism.” Instead, traditional donors are changing their approaches to multilateral aid, and emerging countries are institutionalizing their own new multilateral aid systems. With these developments, the traditional multilateral aid system, such as UNDS, is also being transformed. The emergence of “new and diverse multilateralisms” simply illustrates that multilateral cooperation is being reinvented. Multilateral aid will continue to be a significant platform for both donors and recipients.

References
ESCAP East and North-East Asia Office, Japan Society for International Development (JASID) and JICA Research Institute. 2019. “Concept Note: North-East Asia Development Cooperation Forum 2019: Reinventing Multilateral Cooperation and Roles of Northeast Asian Countries to Achieve SDGs.”