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MINILATERALISM FOR MULTILATERALISM IN THE POST-COVID AGE

Policy Report
January 2021

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Executive Summary

As progress in global governance fora decelerates, minilateralism is increasingly pushed to the fore as a complement, and more provocatively, as an alternative to multilateralism. In contrast to the multiple interests of an expanding and diverse membership, as well as the geopoliticisation of governance issues stemming from escalating US-China tensions, minilaterals offer an edge vis-à-vis informality, select membership, and a narrower issue-based focus. Despite this promise, however, minilateralism has a mixed track record given factors, both external and internal, to minilaterals themselves. Considering a recent slew of recommendations for greater minilateral participation on the part of ASEAN members, and more broadly, countries within the Indo-Pacific, this report examines opportunities for and challenges to enhancing the effectiveness of minilateralism in a post-COVID-19 era, with an eye towards strengthening multilateral governance.

Introduction

Mounting woes over seemingly irreconcilable interests in global governance, the slow pace of multilateral negotiations, and the ideological impasse fuelling US-China tensions have thrust minilateralism further into the spotlight as a complementary—and more provocatively, as an alternative—mode of diplomacy and rulemaking.

Minilateralism can come in several flavours, from regional-centred outfits (e.g. the Lower Mekong Initiative and Mekong-Lancang Cooperation Framework) to functional issue-based coalitions of the interested (e.g. Digital Nations) and identity-focused blocs of like-minded allies or partners (e.g. the Brazil-Russia-India-China-South Africa [BRICS] or Mexico-Indonesia-South Korea-Turkey-Australia [MIKTA] groupings). Still, by working with “the smallest number of countries needed to have the largest possible impact on solving a particular problem”,¹ thriving off informality and interpersonal relations for open discussion, and compartmentalising complex policy issues into smaller agendas, minilateralism is deemed to deliver speed, ad hoc flexibility, and innovative experimentalism. This stands in contrast to multilateralism, which is increasingly seen to be saddled with rigid traditional norms and structural considerations.

Its potential notwithstanding, minilateralism has a mixed track record. While ASEAN members are no strangers to minilateralism and its various guises,² they were recently beset by a slew of recommendations to pursue more minilaterals.³ Against this backdrop, it is worth identifying the hurdles pertinent to strategically leveraging this diplomatic tool, and questioning how to help minilaterals succeed, especially in a post-COVID era. This report outlines the challenges to and opportunities for establishing and expanding successful minilaterals in the Indo-Pacific region, before closing with policy recommendations on channelling minilateralism for multilateralism.

¹ Moises Naim. “On Minilateralism.” *Foreign Policy* (2009).

² Minilateralism has also been termed smart multilateralism and plurilateralism, among others.

³ See, for instance, the RSIS Webinar Series on “ASEAN’s Outlook on the Indo-Pacific, COVID-19 and the Future of ASEAN Centrality”.

Challenges to Minilateralism

Minilateralism comes with its host of challenges. Some are specific to the kind of minilateral being pursued. For instance, issue-based arrangements could run into difficulties when leveraging issue linkages since the aim would be to parcel negotiations into smaller agendas. This report, however, focuses on outlining hurdles of a more general nature:

Sizing matters

Determining minilateralism's magic number is a puzzle by itself. There are trade-offs between smaller groups and larger outfits due to minilateralism's reliance on informality and strong interpersonal relations. A small membership eases the building and maintenance of trust. Yet with fewer members, agendas are difficult to advance if and when participating countries cannot be present or cannot commit as a consequence of competing diplomatic priorities, changes in government, and the like. For instance, back in 2007, the Quadrilateral Security Dialogue (Quad) was short-lived when its major advocate — Japanese Prime Minister Shinzo Abe — stepped down from his first term in office, and the new Rudd government in Australia decided against the economic risks of antagonising China.

Fewer members and a narrowly framed agenda could also perpetuate certain narratives that are detrimental to the minilateral itself. As evidenced by the Quad initiative, "initial perceptions of groupings being targeted at certain countries can take hold quickly and influence not only current iterations of minilateral institutions but future ones as well".⁴ The China-containment narrative associated with the Quad has stuck even after its resurrection as Quad 2.0 a decade later.

Meanwhile, establishing and expanding minilaterals could be challenging where there is a trust deficit or a lack of familiarity between existing and new members. Both reduce the advantage of informality. Moreover, despite its ad hoc nature, it is unclear if downsizing minilaterals could be undertaken when needed, for instance, to remove members no longer able to contribute substantially to a policy issue. Minilaterals, whether functional or otherwise, are an exercise in political signalling. Power structures may be frozen and become irrelevant over time. Although new minilaterals with different memberships could mushroom in response, this runs the risk of duplicating rule-making and policy efforts.

⁴ Prashanth Parameswaran. "The limits of minilateralism in ASEAN." *The Straits Times*, 15 February 2018. <https://www.straitstimes.com/opinion/the-limits-of-minilateralism-in-asean>

Informality as double-edged sword

As the lifeblood of minilateralism, informality is credited with many advantages. With low bureaucratisation at play, there are more open and honest discussions, more flexibility to create ad-hoc arrangements, and less need to finance institutionalisation, such as a permanent secretariat.

However, informality poses some challenges. A fluid, non-hierarchical arrangement could create a leadership vacuum that works against minilaterals. This might be a more salient affliction among minilaterals comprised of small and middle powers, as minilaterals featuring major powers run the opposite risk of denying smaller members ownership over minilaterals. The medley of middle powers that are present in the MIKTA grouping suffers a “leadership vacuum and is largely left to rely on the annually rotating chair system without sustained investment of money or ideas from particularly committed members”.⁵

Another challenge is that informality contributes to a loss of focus in minilateral arrangements without organising principles, frameworks or institutionalisation. Admittedly, ambiguity could be strategic: broad aims and vague language provide space to manoeuvre among members that cannot agree on appropriate actions, even if there is consensus on reasonable interests. However, without clarification on the contours of purpose and deliverables, progress occurs in unstructured and inconsistent ways.

Low institutionalisation also means minilaterals are often set up for shorter life expectancies than formal multilateral arrangements. While institutionalisation does not automatically translate into the effectiveness of a minilateral forum, a study on whether BRICS institutionalisation enhances its effectiveness showed that, while not across all policy areas, institutionalisation did help advance BRICS effectiveness in areas such as trade and anti-terrorism where “regular meetings of relevant officials and the establishment of new intra-BRICS cooperation mechanisms were in line with a growing number of concrete decisions made and implemented”.⁶

Finally, a reliance on informality and interpersonal relations poses risk with regards to personnel or administrative changes. Interpersonal connections, which take time to develop, have to be forged anew with staffing transitions. The impact is worse for minilaterals that have fewer points of contact among members, since such discontinuity could feed into institutional memory loss, and in turn, undermine the long-term viability of minilaterals.

⁵ Sung-Mi Kim, Sebastian Haug, and Susan Harris Rimmer. “Minilateralism Revisited: MIKTA as Slender Diplomacy in a Multiplex World.” *Global Governance*, vol. 24, no. 4 (2018).

⁶ Marina Larionova and Andrey Shelepov. “Is BRICS Institutionalization Enhancing its Effectiveness?” *The European Union and the BRICS* (2015).

Domestic and international support

One of minilateralism's biggest challenges lies in clinching support and legitimacy. At the domestic level, minilaterals are more susceptible to being culled due to changing political climates and would depend more heavily on buy-ins from governments-of-the-day because of their low institutionalisation. Despite being around for two decades, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) only gained momentum in 2017 when the Modi government recognised that the grouping could further New Delhi's domestic agenda and foreign policy calculus.⁷

In the Indo-Pacific, there is both significant wariness directed towards minilateralism on the whole, and towards certain minilaterals in particular, owing to agendas potentially inimical to the interests of those excluded. There are concerns that minilateralism undermines international institutions and the rules-based order, enables rampant forum shopping (and hence, the rise of club goods rather than public goods), fosters poor accountability (due to non-binding legal arrangements), and can be morally problematic because of their exclusivity.⁸

Whether legally binding agreements at the multilateral level are more effective in engendering compliance as compared to minilaterals is questionable. Nonetheless, there is legitimate angst surrounding minilateralism driving the need to channel its outcomes into the broader, multilateral architecture for more inclusive global governance. Countries engaging in minilaterals can and have addressed this, throughout history and particularly in the economic sphere, by building upon existing multilateral frameworks and filling in their gaps. There is little reason why future minilaterals cannot go down this path as well. Yet, existing suspicion towards minilaterals raises the political costs of engaging in this mode of diplomatic policymaking and could even deter it completely. The ASEAN-X decision-making mechanism remains controversial and slips into underuse for these same reasons.

⁷ Nazia Hussain. "Is BIMSTEC re-modelling for a bigger role?" *East Asia Forum*, 23 November 2018. <https://www.eastasiaforum.org/2018/11/23/is-bimstec-re-modelling-for-a-bigger-role/>

⁸ Stewart Patrick. "The New 'New Multilateralism': Minilateral Cooperation, But At What Cost?" *Global Summitry*, vol. 1, no. 2 (2015).

Minilateralism in Post-COVID Global Governance

Minilaterals' broader operating environment can influence their trajectories, as evident in the recent COVID-19 crisis. Though the jury is still out on when the pandemic would end, reduced summitry and the rise of virtual diplomacy could prove difficult to dislodge, suggesting a new normal for minilateralism as we know it.

As regards process, the lower frequency of in-person summits could allow minilaterals to gain renewed importance. Minilaterals often take place on the side-lines of summits. Depending on commitment levels, COVID-19 may provide an opportunity to establish minilaterals not as sideshows but as focal points in their own right. The recent Quad meeting in Tokyo was standalone, compared to previous meetups held between sessions at the United Nations and ASEAN forums.⁹

Yet, an uptick in virtual diplomacy could also problematise the establishment of new minilaterals among diverse partnerships where trust quotients are low. Minilateralism's success rides on the back of informality and robust interpersonal connections, but telecommunications lend itself to better use at certain stages of the diplomatic process than others. It can prove difficult to build trust online, especially with little pre-established rapport. For instance, while virtual summitry facilitates information exchange, it has proven harder to capture the subtleties of body language, especially with teleconferences showing only facial expressions, or nothing at all when the Internet connection is poor.

Virtual diplomacy can never replace physical socialisation, such as encounters in corridors or during coffee breaks, in building rapport and garnering agreement. For instance, the recently signed Regional Comprehensive Economic Partnership, which would facilitate informal bilateral, trilateral and plurilateral engagements, flowed from years of work done and relationships cultivated often on the sidelines of ASEAN and related summits.

In this sense, COVID-19 could also constrain the agendas of certain minilaterals, where trust is lower, to low-hanging fruit, such as information exchange. Indeed, while COVID-19 itself has become the topic of several minilateral initiatives, these have been limited to fundraising, information sharing, and pledges to keep supply chains open between established trading partners.¹⁰ With regards to clinching agreements and deliberating on more

⁹ Sarah Teo. "What the Quad Meeting Means for ASEAN." *The Diplomat*, 9 October 2020, <https://thediplomat.com/2020/10/what-the-quad-meeting-means-for-asean/>

¹⁰ Malcolm Cook and Hoang Thi Ha. "Beyond China, the USA and ASEAN: Informal Minilateral Options." *ISEAS Perspective No. 63* (2020).

complex negotiations, progress is more likely among countries where trust is already established.

The pandemic might also bump minilateralism down the diplomatic priority list. In times of global recession, issues of financing may see countries commit their stretched resources to key bilateral, regional, and more traditional relationships.

Policy Recommendations

For minilaterals, the edge of informality, speed and ad hoc flexibility is tempered by issues of exclusivity, lack of structure, and legitimacy. Although minilateralism is an inexpensive option, it is one that is more accessible to countries with a surplus of technical expertise, manpower and finances. On the flip side, minilateralism could be challenging for countries with unstable Internet access and inadequate cybersecurity safeguards. And while minilaterals could be functionally complementary, with each filling a niche agenda, it could also erode seemingly non-functional aspects of global governance, such as socialising across aisles of ideology and interest, due to selective membership.

Harnessing synergies between minilateralism and multilateralism is thus critical for balancing out both modes of diplomacy, and in the larger scheme of the Indo-Pacific, for maintaining ASEAN Centrality and the multilateral rules-based order amidst increased pressure to choose sides between major powers and their minilateral-supported multilateral visions. This entails establishing and expanding minilaterals to break deadlock at the multilateral scale, and ensuring adequate feedback loops to rejoin minilateralism with multilateralism. This could be achieved through the following:

1. Improving trust

Owing to recurring waves of COVID-19 infection and the rise of virtual diplomacy, there is a need to find ways to improve trust through telecommunications until a form of online-offline hybrid diplomacy can be stabilised. This would enable negotiations to be held virtually while supporting more open exchange of information and catalysing new connections among non-like-minded partners.

2. Leveraging structured informality

Minilateralism benefits from structure within and between minilaterals. Within specific minilaterals, informality requires strategic direction, leadership and/or collective ownership for progress to be identified, made and assessed in targeted manners. A loss of focus renders minilaterals ineffective, if not

obsolete, in producing concrete outcomes and robust coordination among members. Where relevant, countries should adopt charters with clarified operating principles, frameworks and targets. For instance, the BIMSTEC charter was finalised 23 years after its inception and is likely to be signed at the impending BIMSTEC summit in 2021. Analysts have pointed out that formulating a BIMSTEC charter would be crucial to provide sustained guidance to rules of economic cooperation among members.¹¹

Adding structure within minilaterals will likely be easier in the less controversial spheres of practical economic and non-traditional security cooperation, suggesting that governments in the Indo-Pacific may need to shift “high politics” issue areas into “low politics” discourses to gain traction in resolving policy impasses unilaterally. For instance, engaging in issues of marine debris or search-and-rescue technical cooperation rather than freedom of navigation on the South China Sea dialogue. The “Quad-Plus” format seeking to tackle COVID-19 issues with regional powers is a step in the right direction. It could be further complemented with a stronger focus on humanitarian assistance and disaster relief (HADR) and infrastructure development instead of solely emphasising defence engagements or naval exercises.

3. Integrating and strengthening the ASEAN ecosystem

In terms of unilateral structure, the unilateral ecosystem should be reviewed to avoid duplication of efforts. With US-China tensions likely to stretch into the foreseeable future, competing minilaterals could proliferate in several issue areas, as is already seen in policy spaces such as the Mekong River’s management. Where countries cannot come together in the same forum, ASEAN members should ensure that competing minilaterals are as complementary as possible in offering different focus areas and problem-solving approaches in the Indo-Pacific region.

Considering that the architecture of the broader ASEAN ecosystem is constituted of various ad hoc unilateral structures, each having emerged due to a historically contingent need, there is also space to further assess the utility of existing unilateral platforms, the potential repurposing of “zombie” minilaterals, and integrations to enhance inter-unilateral synergy and relevance in present-day geopolitical landscapes.

Traditionally, ASEAN has prided itself on its convening prowess, which is a function of the value other powers attach to preserving ASEAN’s role as an honest broker in managing their competing interests rather than ASEAN’s influence and strength. Since ASEAN has recently come under increasing

¹¹ Anasua Basu Ray Chaudhury and Rohit Ranjan Rai. “Towards a Deliberative BIMSTEC.” Observer Research Foundation, Occasional Paper No. 263 (August 2020).

pressure to take on greater problem-solving capacities in light of major power tensions, ASEAN could develop its capacity as an integrative platform. This could be one avenue to ease into a problem-solving role, specifically in creating interoperable rules to navigate American and Chinese visions of regional orders and become a more proactive rather than reactive rule-maker.

ASEAN has a suite of mechanisms that can be tapped into as an integrative platform, most notably its leaders-led East Asia Summit (EAS) which has the potential to become the leading Track 1 forum for Indo-Pacific cooperation for the following reasons:

- i. More time to discuss issues with EAS' limited membership;
- ii. All relevant players in the Indo-Pacific are included; and
- iii. A leader-led forum in a region where leaders matter.¹²

4. Attaining legitimacy

Considering the wariness towards unilateralism, such as usage of the ASEAN-X mechanism, ASEAN members would benefit from a clarification of the conditions where unilateralism is encouraged. This is perhaps more pertinent for political-security unilateralism, as ASEAN members have not shied away from various economic unilateralism initiatives over the years. ASEAN members should agree to engage in unilateralism with conditionalities to support ASEAN Centrality in principle or at least, not undermining it.

To ensure better coordination between unilaterals and multilateralism, ASEAN and other international institutions could facilitate exchanges between unilateral groupings, mediate competing agendas, and provide expertise in identifying shortfalls and suggesting solutions.¹³ This would require the strengthening of the ASEAN Secretariat to become a more independent and better-resourced organ.

¹² Discussion with Amb Ong Keng Yong, Executive Deputy Chairman, RSIS.

¹³ Erica Moret. "Effective Unilateralism for the EU — What, When and How." *European Union Institute for Security Studies* (June 2016).

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