

BUILT TO ORDER: HOW EUROPE CAN REBUILD MULTILATERALISM AFTER COVID- 19

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SUMMARY

- The pandemic has brought forward a new agenda for multilateralism, focused on areas including global health, economic recovery, climate, technology, and trade.
- In trying to promote global cooperation, the EU must take account of competition with China and other illiberal powers across these areas.
- The EU should pursue a twin-track strategy, seeking to revitalise institutions that include rival powers while promoting deeper cooperation with like-minded countries.
- Europe should launch an initiative to build up global vaccine manufacturing and encourage the free movement of medical goods, and set up a 'preparedness club' of countries committed to transparency in their health systems.
- The EU should look for ways to coordinate with China on climate and global debt, while focusing on work with its liberal partners on technology and human rights.

Introduction

The covid-19 pandemic has brought a changing international order into focus. As the virus swept the globe, it highlighted both the interdependence of today's world and the obstacles to international cooperation. Now that the world is moving into a new phase of the fight against the virus, there is a chance to work together better – both on the recovery from covid-19 and on other transnational challenges in its aftermath. The European Union could do much to set the frameworks through which the world deals with these issues. But, to play that role, Europe will need a strategy for multilateralism that is adapted to a newly competitive world.

Since the fall of the Berlin Wall in 1989, the EU has tended to promote a form of multilateralism in its own image, seeking binding agreements to bring all the world's countries together on broadly liberal terms. But as the globe divides along geopolitical lines – with China, Russia, and other powers pursuing conflicting visions of international order – the space for consensual multilateralism involving the major powers has narrowed. In this new context, the EU can best secure its interests by following a twin-track strategy on international cooperation. It should continue to seek coordination on global public goods with as wide a circle of countries as possible, while recognising the limits imposed by divergent political agendas. At the same time, it should aim at deeper and narrower cooperation with smaller groups of like-minded partners who share common principles on openness, accountability, and individual rights. Alone, either approach would be insufficient. Together, they offer Europe its best chance of an effective multilateralism for an era of global divisions – as long as the two tracks complement rather than undermine each other.

As the world looks beyond the first phase of covid-19, a new multilateral agenda focused on global public goods is taking shape. The pandemic brought home the need for global cooperation on public health. It reinforced the idea that health is an essential component of security, and demonstrated that multilateral action is inseparably connected to the well-being of people in every society. At the same time, the impact of covid-19 threatens to increase inequality around the world. The quest for economic recovery needs to be conceived on a global scale. As the world starts to rebuild, the goal of deepening cooperation on climate, technology, and trade will also feature prominently on the EU's foreign policy agenda.

The problem for multilateralism is that the domains of health, finance, climate, technology, and trade – where the world's societies are deeply interconnected – are increasingly sites of geopolitical competition between powers with very different political and economic models and values. International institutions such as the World Health Organization (WHO) and World Trade

Organization (WTO) that were set up to facilitate common goals have become handicapped by the clash of competing interests and values. In an era of systemic competition, the links between countries have become instruments of power, creating dependencies that could represent strategic risks. Trade in areas from vaccines to semiconductors is offered or withheld for geopolitical reasons, and countries see the development of green technology or the routing of financial flows as a path towards international primacy.

During the Trump presidency, the United States added to the problems for multilateralism by largely turning its back on international cooperation. For Donald Trump, multilateral organisations constrained US freedom of action; as his term went on, he increasingly saw them merely as vehicles for China to advance its interests. Joe Biden has promised to reverse this approach, and started his presidency by reaffirming US participation in the WHO and the Paris Agreement on climate change, as well as dropping US opposition to the most widely supported candidate to head the WTO.

Biden's arrival in the White House, combined with advances in the fight against covid-19, offer a chance for the EU to repair some of the damage that multilateral cooperation has suffered in recent years. At the same time, the forces that propelled Trump to victory in 2016 have not disappeared. Many European countries have also seen an increase in nationalist and populist sentiment that tends to regard international cooperation with suspicion. A renewed European approach to multilateralism will need a stronger domestic base, and should be able to withstand another reversal in US policy.

This paper maps out a strategy that the EU could use to act on its commitment to multilateralism against this difficult political background. Firstly, the paper sketches the outlines of a twin-track strategy on international cooperation for the post-coronavirus period. Next, it considers how such a strategy might be implemented, focusing on the recovery from the pandemic. Finally, it sets out key recommendations for other areas of multilateral policy.

European multilateralism after covid

Consensual multilateralism and its limits

The EU has recognised that it needs to renew and rethink its support for multilateralism in response to covid-19 and changes in the international order. Several member states have already launched

policy initiatives in this area, including the Alliance for Multilateralism started by France and Germany, and the European Commission and the European External Action Service recently published a joint communication on the subject. They identified the need for the EU to be more assertive in its multilateral engagement in an increasingly transactional global system, and to build and reinforce coalitions on key issues. A twin-track strategy would help to fulfil those goals.

A traditional European approach to strengthening multilateralism would involve trying to reform existing international institutions and promoting new inclusive international agreements where they are lacking. Indeed, the EU has already developed ambitious reform plans for the WHO and the WTO. Since global health, climate change, technology, and trade connect all the world's countries, there are clear advantages in trying to revitalise or develop collective international institutions to address them. Nevertheless, there are limits to what a consensual approach can achieve in an era of geopolitical competition. With China and other illiberal powers increasingly determined to assert their influence, the EU cannot assume that it will succeed in building collective institutions – involving all major powers – that reflect its political values and economic models. China's refusal to cooperate fully with the WHO's investigation into covid-19 suggests it is likely to resist any far-reaching regime of transparency and accountability over pandemic preparedness. Similarly, China is certain to resist reforms to the WTO that place significant constraints on its state-centred economic model. In an age of competitive geopolitics and nationalism, it has become harder to secure commitments to any binding international treaties: even the 2015 Paris Agreement, the signature multilateral agreement of recent years, was based on the adoption of voluntary targets by states.

While the EU seeks to promote international cooperation on global public goods, it must take into account the weaponisation of transnational links as tools of geopolitical competition. During a pandemic, medical supply chains become an instrument of national security. As societies around the world shift to more climate-sensitive economic models, green technology and the raw materials they depend on will increasingly confer a national advantage. China frames its Belt and Road Initiative as a development project, but it uses infrastructure investments to advance Chinese economic and political influence. The increasingly central place of information technology in all aspects of life means that supply chains for core components, control of data flows, and standard-setting for the digital world are essential components of power.

Despite this complex picture, it would be wrong for the EU and other liberal states to pull back from seeking consensual ways to handle global public goods. Inclusive multilateral organisations have legitimacy and reach that more limited forums lack. The universal membership of the WHO makes it irreplaceable in mobilising global responses to public health threats. China in particular is too important as a global power for the EU to imagine that transnational challenges can be met without

Chinese involvement. While Beijing is a competitor in the development of green technology, no effort to tackle climate change will succeed without its engagement.

Since China is likely to remain a key trading partner for Europe, the EU needs to define ground rules for economic interaction that offer the greatest advantage for European firms and investors while accepting the very different nature of China's economy. The WTO remains the foundation of the rules-based global trading system on which the EU depends for its prosperity. The G20 – which includes China – is a better forum for shaping a global recovery than the more restricted G7, particularly given China's role as a significant holder of bilateral debt. In all these areas, the EU faces the complex task of identifying the scope for collective action and consensual reform without losing sight of the geopolitical agendas of rival powers.

A twin-track strategy

Given the inherent limits of consensual multilateralism in a competitive world, the EU will be most likely to achieve its objectives if it supplements its efforts to reinvigorate collective institutions with deeper cooperation among smaller groups of like-minded partners. Biden's arrival offers the chance to put EU-US coordination at the centre of this like-minded approach. Working together, liberal countries are more likely to build coalitions that can push back against efforts by China and other states to erode the norms underlying international institutions or impose illiberal standards. Even under Trump, the EU and the US were able to work together to defeat the Chinese candidate to lead the World Intellectual Property Organization in March 2020. Transatlantic leadership can play an essential role in galvanising action, even in inclusive forums such as the G20.

More importantly, like-minded partners can forge deeper forms of integration that reflect their commitment to common values and political models. By abandoning the need for global consensus, ad hoc coalitions can adopt more ambitious commitments in areas such as pandemic preparedness and carbon taxation, enforced by strict transparency and accountability regimes. This pattern is already visible in trade, through the proliferation of regional trade agreements like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and the EU's bilateral and plurilateral agreements. The like-minded approach is particularly important in areas that unavoidably involve shared values, such as the governance of technology, human rights, democracy promotion, and measures against corruption and kleptocracy. This kind of cooperation is also suited to the involvement of non-state entities such as municipal or regional governments, corporations, networks

of professionals, and civil society groups. The Gavi vaccine alliance and the Organisation for Economic Co-operation and Development (OECD) expert group on artificial intelligence are examples.

Multilateralism and European sovereignty

In the last few years, European policymakers have recognised a need to reinforce Europe's ability to resist pressure from other great powers by building up its sovereignty or strategic autonomy. While European sovereignty is sometimes said to be in tension with multilateralism, the two can be seen as complementary. In seeking to establish sovereignty, the EU recognises that the interests of its citizens can best be fulfilled if it acts forcefully to sustain and shape the terms of multilateral action.

Multilateralism is now a competitive space, where the EU has to use its influence and partnerships to try to promote the kind of international order it wants through its engagement in both broad-membership and like-minded groupings. Nevertheless, the EU must preserve its freedom of action when international cooperation breaks down, while trying to find forms of autonomous action that do not further undermine the international rules-based system.

The recent success of populist and nationalist movements in many European countries has put supporters of multilateralism on the defensive. These movements argue that international cooperation involves a sacrifice of national interests, placing the concerns of the global elite above those of the country's citizens. The pandemic could provide an opportunity to reset this narrative, since it demonstrates how the failure of states to work together has an impact on ordinary people. Other parts of the post-coronavirus multilateral agenda could function in the same way: climate change and cyber space are also areas where the failure to coordinate action internationally would cause real harm in the daily life of Europeans. European populations are likely to assess multilateralism on the basis of its results, rather than seeing it as a good in itself.

To rebuild popular support for multilateralism, leaders will need to be careful in balancing their commitment to global mechanisms with the responsibility they owe to their own populations. In the case of covid-19 vaccines, it would be unrealistic to have expected European officials to turn down the opportunity to place advance purchase orders for a large share of the early doses. Nevertheless, as discussed below, the EU should avoid contributing to a breakdown in vaccine supply chains.

US-China rivalry

Any European effort to pursue a geopolitically aware multilateralism will take place in a context defined above all by the growing confrontation between the US and China.

Having stepped up its efforts across the multilateral system in recent years, China is now the most significant exponent of an alternative vision of that system – one that places state power over openness, accountability, and human rights. China systematically uses its international connections to extend its power and influence, and Europeans are increasingly aware of the risks that this poses for them. It also seeks to use its sway over international institutions and processes to tilt them towards its own sovereigntist values. However, the EU is not contemplating any full-fledged economic decoupling from China, and Europe stands to benefit from pragmatic coordination with Beijing across many of the areas discussed in this paper.

Under Trump, the US came to see competition with China as the guiding principle of its foreign policy. The then president said he was withdrawing the US from the WHO because it was too weak in challenging China, and imposed a series of tariffs on China in response to what he claimed were unfair trade practices. Biden and his advisers largely see China in a similar way, but are committed to working with allies to confront it.

The US re-engagement with multilateralism is good news for the EU, and offers scope for Europe and Washington to work together to contain Chinese influence in international institutions, and to set up mechanisms for like-minded cooperation. Nevertheless, there may be some areas where the EU and the US are not fully aligned. A difference of emphasis was visible at the recent Munich Security Conference, where Biden's speech focused on the ideological competition between democracy and authoritarianism, while Emmanuel Macron spoke of the importance of results-focused cooperation on global challenges. Even under Biden, the US appears to believe that aspects of the rules-based order offer a systematic advantage to China in a way that may justify working around them to secure US interests. Biden has given no indication that he will lift Trump's tariffs on China, even though they were condemned by a WTO panel, and his trade representative, Katherine Tai, has said that tariffs are a legitimate tool to use against China.

Cooperation with a multilateralist US administration should be the starting point for the EU's strategy

on international cooperation, but Europeans should be ready to argue their case if their views on coordinating with China diverge from the US position.

Putting multilateralism into practice

The fight against covid-19

The fight against the pandemic is now focused above all on the manufacture and distribution of vaccines. In the words of historian Adam Tooze, “Never has the world depended to such a degree on the success of a single scientific research programme.” The allocation of doses over the coming year raises major questions of international coordination and fairness, and has become the subject of geopolitical power plays. Despite the efforts of international organisations and states to establish a multilateral vaccine-sharing mechanism, there are great global disparities in procurement.

As the virus spread around the world in spring 2020, a group of sponsors, including France and the European Commission, launched the Access to Covid-19 Tools Accelerator. This included COVAX, which aimed to pool as much as possible of the world’s vaccine procurement. Participating countries would give money so that COVAX could place advance purchase orders for a range of promising vaccine candidates, allowing countries to hedge their bets between the efforts of different pharmaceutical firms; rich countries would also subsidise vaccines for poorer ones. In the event, however, the idea that the world’s wealthiest countries would pursue a purely multilateral approach to vaccine procurement proved unrealistic. As an unprecedented effort to coordinate purchase orders on behalf of dozens of countries, COVAX took some time to reach the position of agreeing contracts with vaccine manufacturers. And, in the meantime, wealthy countries concluded their own independent advance-purchase agreements, locking up much of the early vaccine supply.

Despite the hopes of some of its sponsors, COVAX has developed not as a mechanism through which all the world secured its vaccine supply, but largely as a way of funnelling vaccines to lower- and middle-income countries. Its achievements should not be underestimated: COVAX delivered its first shipment of 600,000 vaccines to Ghana in February 2021. And its directors hope to deliver 2 billion doses around the world before the end of the year, including 1.3 billion donor-funded doses to lower-income countries. However, even if COVAX meets its target, recipient countries would only receive enough doses through the scheme to vaccinate 20 per cent of their populations – and most of these

would be delivered months after wealthy countries had enough vaccines to cover most of their adult populations.

While European leaders proclaim that vaccines are a global public good, it would be naive to expect them to put other countries' needs ahead of their own. A realistic vision of multilateralism should accept that European leaders have a particular responsibility to their own populations, and cannot be expected to pass up the chance to procure vaccines for their citizens more quickly than less wealthy countries. However, if Europeans remain focused only on securing doses for their own population and neglect the problems of global distribution, their rhetoric about vaccine multilateralism will ring hollow. Europe could also suffer geopolitically, as other powers use the distribution of vaccines to enhance their image and gain political advantage. India and China are competing to offer doses to Asian neighbours, while both China and Russia have made vaccines available to Western Balkan countries that have struggled to obtain them through other means. Moreover, leaving poor and middle-income countries with insufficient vaccines could encourage the emergence of new variants of the virus, setting back the world's recovery.

European leaders point out that much of the world's vaccine supply has come from Europe. Since January 2021 alone, they say, 41 million doses have been shipped from the EU to countries outside the bloc, at a time when supplies within Europe have been limited. But these doses were supplied by private pharmaceutical companies based in Europe rather than the EU or its member states, and went mostly to developed countries that placed early purchase orders. Moreover, the EU has given itself powers to block companies from exporting vaccines when they have not fulfilled their contracts with the EU, or when the shipments are destined for countries that do not need the vaccines as urgently or do not allow reciprocal shipments to the EU. Italy used the regulation to prevent AstraZeneca from shipping 250,000 doses to Australia.

The EU's move is part of a growing pattern of direct or indirect controls on the export of both vaccine doses and the inputs that are needed to produce them. The United Kingdom has signed contracts requiring manufacturers based there to prioritise British needs, and the US has organised an entire domestic production chain to deliver vaccines to its citizens through Operation Warp Speed. As a result, there are fears that vaccine production in many countries could be slowed down by shortages in essential components ranging from giant plastic bags to vials and lipid nanoparticles used for mRNA vaccines. It is understandable that the EU should feel disadvantaged by the arrangements other countries have made, but an increased use of export restrictions could trigger further countermeasures along the complex supply chains involved in vaccine production. The damage this could cause outweighs the EU's need to block exports, given that it is expecting to receive 360 million further doses in the second quarter of 2021.

Instead, the EU should use its international influence to increase global vaccine manufacturing capacity and reduce barriers to trade in vaccine-related goods. It made a start in this direction by joining with a number of like-minded countries as part of the Ottawa Group to launch a trade and health initiative that called for limits on the use of export restrictions. Any further actions to block vaccine exports from Europe would undercut that commitment.

It would be better for the EU to launch a new initiative, perhaps through the G20, that brings together the small number of vaccine-producing countries along with big manufacturers and funders to work on scaling up manufacturing capacity and diversifying production. A recent proposal by the trade and health scholars Chad Bown and Thomas Bollyky suggested this could be done through a new vaccine investment and trade agreement. Through such an initiative, the EU could encourage big pharmaceutical companies to expand voluntary licensing of their vaccines and work on knowledge transfer and training to help a greater range of countries to produce them. If Europe does not support steps to encourage companies to grant voluntary licences, pressure for a waiver of intellectual property rights on products used to protect against or treat covid-19 is likely to increase.

At the same time, the EU should step up its efforts to distribute vaccines globally in other ways. The EU recently doubled its financial contribution to COVAX. But while lower- and middle-income countries wait to receive their COVAX allocations, the EU should also begin to share some of its supply, setting aside a limited share of vaccine deliveries it receives. Macron proposed an initiative along these lines ahead of the G7 summit in mid-February, suggesting a reallocation of 4-5 per cent of supplies. This would help reduce pressure on COVAX, which is facing an anticipated shortfall of deliveries. The WHO's director-general, Tedros Ghebreyesus, has said COVAX needs states to donate 10 million doses so that it can begin vaccination in some of the world's poorest countries. The EU

could also donate some doses to countries in its neighbourhood.

Preparedness – the next challenge

While the fight against covid-19 continues, a major effort is under way to learn the lessons of the world's response so far, to be better prepared for the next pandemic. A plethora of reviews have been launched, aimed at identifying failures in collective action and proposing institutional reforms. There is widespread agreement that the current system proved insufficient in several ways. China failed to provide information about the outbreak of the disease quickly enough to the WHO; the WHO did not act decisively enough to raise the alarm; and many states failed to take action promptly or to coordinate their responses.

As fighting pandemics requires global cooperation, the effort to improve preparedness should focus first of all on the international structures governing global health. The EU should use its engagement with international partners to reduce political tensions around health and encourage a collective effort at reform. A central flaw in the current system, based around the International Health Regulations (IHR) of 2005, is that it proved unable to compel states to meet their commitments on identifying outbreaks, notifying the WHO, maintaining preparedness, and responding to alerts. The WHO lacked the means and independence to challenge member states, and fell short on providing clear and consistent messaging, albeit against a background of scientific uncertainty about a novel disease. As Helen Clark, co-chair of the WHO review body, put it, the WHO “seems unduly restrained by the regulatory regime which Member States have approved”.

A range of measures have been proposed to address these problems. The WHO could be made more effective by giving it more funding, by a review of the efficacy of measures such as travel restrictions, and by introducing an intermediate level of alert below declaring a Public Health Emergency of International Concern. A system of universal periodic review, a measure available to the UN Human Rights Council, could be introduced to monitor state preparedness more effectively. More ambitiously, the WHO's regulations could be amended to give it more power over member states. The European Council president, Charles Michel, suggested that a new pandemic treaty be negotiated. And Ghebreyesus has supported the idea. As proposed by the global health scholars Haik Nikogosian and Ilona Kickbusch, a treaty could be negotiated under the joint auspices of the WHO and the United Nations, since it would touch on non-health areas such as trade, finance, transport, biodiversity and environmental protection, and law enforcement.

Alongside these steps, a collective effort will be necessary to raise money to upgrade national health

systems around the world and increase capacity for the manufacture of diagnostics, therapeutics, and vaccines. This effort should draw in as many of the world's wealthy countries as possible – the G20 has already launched an independent task force to propose ideas for funding global common goods in pandemic preparedness.

While the WHO will retain its central role in advising on and coordinating the response to future pandemics, its member states may not be willing to give it greater powers to compel them to be transparent and accountable. At a time of intensifying geopolitical competition, when it is increasingly difficult to persuade states to sign up to binding treaties, it may be difficult to conclude an ambitious convention imposing intrusive requirements on states in the sensitive area of public health. As the WHO's independent panel on pandemic preparedness has advised, an improved regime should give a much greater role to sharing information from local clinics and laboratories through digital platforms. But such an approach is likely to meet with resistance from authoritarian regimes. States such as China, whose political models rely on tight control of the flow of information, are unlikely to allow an open-source platform or to accept compulsory inspections.

For this reason, initiatives to tighten global rules on preparedness could be supplemented with a second track based on the voluntary commitment of participating states to greater transparency and accountability. The G7 could set up a 'preparedness club' open to all states that are willing to provide full data-sharing to the WHO and agree to inspection on request. Participating countries could receive additional benefits, including funding for health monitoring structures or capacity-building for pandemic response. In line with the twin-track approach outlined in this paper, this grouping would not aim to substitute for the WHO, but act in coordination with it.

Supporting global economic recovery

The pandemic is set to worsen inequalities. The World Bank has estimated that covid-19 pushed well over 100 million people around the world into extreme poverty in 2020. While the wealthiest countries spent nearly \$10,000 per person on stimulus packages, the 46 least developed countries spent only \$17 per person. African countries face a funding gap of \$345 billion through to the end of 2023 as a result of the pandemic, with much of that amount needed for debt repayment, according to the International Monetary Fund (IMF). Reducing the debt burden of these countries will be crucial to their recovery, and can only be achieved by the world's wealthiest countries working together.

The G20 made a start on dealing with the coronavirus's economic impact in 2020 through the Debt Service Suspension Initiative (DSSI), which pushed back service payments on some debts until June

2021 – though it only covers official bilateral debt, not debts to the private sector. Later in the year, the G20 went further by agreeing a common framework that included the option of debt restructuring, bringing together G20 members such as China, India, and Saudi Arabia with the Paris Club of creditor countries. This marked the first time that China has participated in a multilateral debt initiative, and showed that new forms of multilateral cooperation are possible in response to changing patterns of global lending that have seen China, other non-traditional creditor countries, and private creditors assume a greater role. The common framework requires transparency and equal burden-sharing among creditors – though questions remain about how fully Chinese lenders will, in practice, go along with the framework’s disclosure requirements.

As a further step, several countries have supported proposals for the IMF to issue special drawing rights, reserve assets that can be exchanged for currency by recipient countries, possibly at the level of \$500 billion. The Trump administration blocked these proposals, in part because the funds would be distributed to all IMF member states, including US antagonists such as Iran, Venezuela, and China. However, Biden’s treasury secretary, Janet Yellen, backed the idea in a letter to G20 colleagues in February 2021.

The EU and its member states should continue to press for the implementation of special drawing rights. Alongside this, they should push for G20 countries to reallocate their share to benefit low-income countries, either through donations or via the IMF’s Poverty Reduction and Growth Trust. Such a step is needed because the IMF distributes special drawing rights according to members’ quotas, meaning that 68 per cent would go to wealthy G20 countries. The DSSI should be extended beyond its current expiration date of June 2021, possibly until the end of 2022.

The fact that the G20 has emerged as the central body in handling the global economic fallout from the pandemic shows that multilateral cooperation between rival great powers remains possible. While China and the EU support different models of development in Africa, there is also scope for them to coordinate their engagement. Crafting rules that can apply across the different economic models and transparency standards of China and G7 members will be complicated, but it is the best way to achieve results at a time of urgent need.

Cooperation on other public goods

A similar strategy of pursuing both inclusive global solutions and deeper coordination among like-minded partners could inform the response to other transnational issues that are at the top of the EU’s post-coronavirus agenda. On climate, the Paris Agreement and the lead-up to the COP26 climate

change conference in November 2021 provide the framework for action by regional bodies, states, and non-state organisations. China's announcement that it would become carbon-neutral by 2060 opens the way for the EU to coordinate with Beijing on multilateral climate initiatives. China is pursuing its green transition for its own reasons, not out of any desire to cooperate with the EU and the US, but the three powers have a mutual interest in aligning their actions in a number of ways. These include harmonising the classification systems or "taxonomies" they use for assessing sustainable economic activities, and perhaps agreeing on climate standards for development cooperation. As an example of the kind of coordination that remains possible, China and the US recently agreed to co-chair a G20 study group on climate-related financial risks.

At the same time, the EU will need to work with like-minded partners to establish secure supply chains for essential raw materials and green technology. It is committed to introducing a carbon border tax to ensure that Europe's carbon emissions pricing scheme is not undercut by carbon-intensive imports into the bloc. Such a measure would have to be carefully designed to comply with WTO rules, so it is helpful that the EU is planning an initiative on trade and climate in the WTO. This tax would be most effective in promoting a reduction in carbon emissions if it were introduced in coordination with other countries through the creation of a "climate club", as proposed by economist William Nordhaus. If the US and perhaps China could be persuaded to join such a club, it could become a powerful tool to supplement the Paris climate process.

Digital technology in areas such as artificial intelligence, telecommunications networks, and cyber security will continue to be a central arena for geopolitical competition in the post- coronavirus period. Because this is so closely linked with normative questions around individual rights, openness, and democracy, the scope for global cooperation between powers with fundamentally opposing values is limited. Instead, smaller groups that include the EU, the US, and other like-minded countries have begun to explore mechanisms to define standards for the use of technology in a way that upholds democratic principles, and to establish secure supply chains for critical technology. The UK has organised a "D10" grouping of democratic countries – G7 members plus Australia, India, and South Korea – to focus in particular on tech coordination. Others have suggested a "T-12" grouping of "techno-democracies" to help open societies regain the initiative in tech competition, and to establish norms for regulating emerging technologies.

Similarly, the OECD is emerging as a forum for democratic countries to develop standards on technology questions such as the taxation of major digital companies, and the ethics of artificial intelligence. Coordination between the EU and the US will be crucial for any of these initiatives to succeed, so the EU's proposal for an EU-US Trade and Technology Council is a promising initiative. At the same time as investing in these avenues of narrower cooperation with like-minded partners,

the EU should also try to promote global agreement as far as possible without compromising its standards or security. This could include areas such as rules for e-commerce.

More broadly, there could be an opportunity in the post-coronavirus period to revitalise trade multilateralism. Trade is essential to the distribution of vaccines and treatments for covid-19, and to the overall global economic recovery. Trump's departure offers a chance to resolve the stalemate over the WTO's dispute settlement mechanism, as the EU and other members seem increasingly willing to recognise the legitimacy of some US complaints. But larger questions about the future of trade multilateralism remain to be tackled. The EU's recent trade policy communication made clear in particular that trade multilateralism had to be compatible with the protection of European interests, proposing stronger enforcement of trade agreements and measures to defend against coercion.

The communication also commits the EU to accelerate discussions about a plurilateral agreement on rules to govern digital commerce – an illustration of the way that initiatives of like-minded countries can fit within a wider institutional framework. The EU is pursuing discussions with the US and Japan on an even more pressing question: the rules governing state intervention in the economy. Many Europeans believe that current WTO rules are not adequate to ensure a level playing field between the EU's open market economy and China's state capitalist system. These discussions are most likely to be productive if they accept that China cannot be compelled into a fundamental change of its economic model through the prospect of being excluded from a plurilateral agreement on subsidies. There appear to be limited prospects for far-reaching reforms that China would sign up to. Instead, the EU and like-minded partners should try to identify a workable framework for coexistence between these two different economic models, combining limited reforms and the full use of existing rules.

Finally, human rights, democracy and the fight against corruption should be a priority for international cooperation after the pandemic. Covid-19 has led to dramatic limits on individual freedom in many countries, and many governments have used it as a pretext to impose unjustified limits on freedom of expression and assembly. In a recent report, the UN high commissioner for human rights highlighted the systemic gaps that coronavirus has exposed in rights protection around the world. Her report offered several suggestions for incorporating human rights into the rebuilding process, including using recovery support to address persistent inequalities, and ensuring broad public debate and civil society participation in designing policy responses. The Biden administration's emphasis on fighting corruption opens the way for the EU, the US, and others to work together through the establishment of an international anti-kleptocracy network, as ECFR's Chris Raggett argues in a forthcoming policy brief.

Conclusion

The covid-19 pandemic has highlighted the vulnerabilities of an interconnected world, revealing the necessity of cooperation but also expanding the scope of geopolitical competition. It has accelerated a series of economic transitions connected with technology and climate that rival powers are trying to turn to their advantage. Yet it has also created a new sense of urgency behind the need for multilateral action, which has been shown to be directly connected to the health and well-being of individuals in every country.

The EU enjoys several advantages when it comes to renewing multilateralism in the face of a series of interlinked challenges, as this author argued in an earlier report, co-authored with Richard Gowan. It is perceived internationally as more neutral than China or the US (at least under Trump); its diplomats are highly experienced in supporting international cooperation; and it has shown a capacity for innovative multilateral initiatives. These attributes should help the EU in taking forward the twin-track multilateral strategy outlined in this paper.

Two points about this strategy are worth highlighting. Firstly, in seeking to preserve formal cooperation as far as possible with a broad range of countries, including China, the EU should remain alert to the ways in which its competitors seek to turn international institutions to their purposes. But it should not withhold cooperation for wider strategic purposes when there are concrete benefits from working together. Secondly, initiatives among like-minded partners should be open to any countries that wish to join. The criteria for joining should be limited to principles relevant to the specific subject

area rather than any wider ideological considerations. For example, a health preparedness club could include membership criteria based on transparency and accountability, and should be open to any state willing to meet those conditions.

This paper has sketched out a number of steps that the EU and its member states could take to move this strategy forward, including:

- An initiative to scale up global vaccine manufacturing and reduce barriers to trade in vaccines and their inputs.
- A commitment to begin sharing vaccine supplies through COVAX and perhaps with neighbouring countries.
- An effort to strengthen health regulations through negotiations on a pandemic treaty, while simultaneously exploring the idea of a ‘preparedness club’ to support countries’ compliance with WHO regulations on epidemic diseases.
- A push for the issuance of IMF special drawing rights to help countries that are in economic distress because of the pandemic, and the reallocation of these rights from G20 members to lower-income countries.
- An effort to coordinate with the US, China, and others on external policies related to climate change, while also protecting supply chains in green technology and other climate goods.
- A push to resolve differences with the US on the regulation of digital technology, so that the two powers can work together on establishing standards in line with democratic principles.
- An initiative within the WTO to identify frameworks for trading coexistence with China’s state capitalist economy, along with measures to prevent disadvantages for European companies.
- The prioritisation of human rights in supporting a global recovery and working with the US on an anticorruption initiative.

The approach set out in this paper could also be extended or further developed across a range of other multilateral issues. The question of how liberal states should define their relationship with China and other authoritarian powers – determining the areas in which they should seek shared frameworks, and those where they should reduce their connections – is one of the central dilemmas facing Europe

and its allies. The crisis provoked by covid-19 has made that question inescapable but, if the EU can find an answer, it may have a chance to shape a more effective multilateral order in the pandemic's aftermath.

About the author

Anthony Dworkin is the research director and a senior policy fellow at the European Council on Foreign Relations. He leads the organisation's work in the areas of human rights, democracy, and justice. Among other subjects, Dworkin has conducted research and written on European and US frameworks for counterterrorism, the European Union's human rights strategy, and the pursuit of justice in the international response to mass atrocities.

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