United Nations
Office of the Special Adviser
on Africa

WORKING PAPER

Understanding the Complex Relationship Between Globalization and Multilateralism[1]

By Cristina Duarte

[1] Disclaimer: 1. The author has initially presented the ideas in this paper as a member of the United Nations High-Level Advisory Board on Economic and Social Affairs (2017-2020). 2. This is a provisional title, and the paper's content is subject to further review and editing, which may result in changes before finalization.

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United Nations publication issued by the Office of the Special Adviser on Africa (OSAA).

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This working paper is prepared by Cristina Duarte, Under-Secretary-General and Special Adviser on Africa to United Nations Secretary-General António Guterres. It was prepared as part of the activities for the United Nations' Summit of the Future, held on 23-23 September 2024. Moneera Yassien, Associate Data Analyst, OSAA, supported the author in compiling references and editing. Rado Ratovonarivo, Senior Programme Management Officer, OSAA, supported the author on formatting.

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1. Introduction

To fully grasp the challenges confronting global governance today, it is imperative to analyze the intricate dynamics between globalization and multilateralism. While both concepts are fundamentally linked, their interaction has led to an erosion of the post-World War II (WWII) global governance model in ways that were neither anticipated nor fully understood.

This analysis proceeds in six key steps:

1. Understanding the DNA of Globalization
2. Exploring Why Globalization Requires the Two Core Functions of Multilateralism
3. Multilateralism's Missing Balance: The Overlooked Second Function and The Erosion of the WWII Global Governance Model
4. Moving Forward: Rescuing the Second Function of Multilateralism
5. A Call to Action: UN 2.0 as a Framework for Reform
6. Conclusion: Toward a New Governance Model

This analytical endeavour is not an exercise in judgment but a necessary inquiry to understand and resolve the complexities of today's global governance structures and consequently be able to transform them.

2. Understanding the DNA of Globalization

Globalization, as we know it today, is marked by three core features that define its scope and influence on global governance: 1. The historical continuity/perpetuation nature of globalization; 2. The unintended consequence of poverty alleviation; and 3. the systemic imbalances it generates. These elements reveal a complex process that has evolved over more than a century, driven by economic, political, and technological forces that extend far beyond mere trade expansion.

Historical Continuity of Globalization/The Perpetuation Nature of Globalization

Globalization is not a recent phenomenon; it has been integral to the global economic system, evolving through various phases since World War I. From an African perspective, the origins of modern globalization can be traced back to the first globalization (19th century to early 20th century) with the expansion of colonial practices and continuing of neo-colonial practices during the second globalization (post-World War II)[2], where powerful nations expanded economic spaces to exploit resources and labour in other regions[3]. This process laid the groundwork for a global economy, establishing dependencies that have endured. For instance, African colonization and the later emergence of neo-colonial structures illustrate how globalization consistently seeks new markets and resources, shaping economies and societies with a primary focus on survival and the pursuit of economic opportunity rather than on addressing global inequalities. The post-World War II era accelerated this process, with

[2] Horowitz, S. (2004). Restarting Globalization after World War II. *Comparative Political Studies*, *37*, 127–151. https://doi.org/10.1177/0010414003260980

[3] Ogar, J. N., Nwoye, L., & Bassey, S. A. (2019). Archetype of globalization: Illusory comfort of neo-colonialism in Africa. *International Journal of Humanities and Innovation (IJHI)*. https://doi.org/10.33750/ijhi.v2i3.46

multilateral institutions such as the IMF, World Bank, and WTO emerging to facilitate cooperation, stabilize economies, and support reconstruction. However, these institutions were designed primarily to support economic expansion, not to create an equitable global landscape[4].

Poverty Alleviation: A Byproduct, Not an Objective

Globalization's capacity to alleviate poverty has often been seen as a byproduct rather than an objective. As a mechanism, globalization fosters a cycle of investment and reinvestment, driven by the pursuit of profit and capital accumulation. This dynamic promotes economic growth and has lifted millions out of poverty, particularly in regions that integrated into the global economy, such as East Asia[5]. However, this success is uneven, and billions of people have been left behind, especially in areas like Sub-Saharan Africa[6], where globalization has been essentially driven by commodity extraction[7]. Data from the World Bank highlights that, while global poverty rates have decreased, poverty, in relative terms, has increased if we compare it with the astronomic increase in wealth. In other words, the amount of wealth generated in the past decades is more than sufficient to tackle poverty worldwide. Approximately 8.5% of the global population—nearly 700 million people—live on less than $2.15 per day, the threshold for extreme poverty.[8] As a result, income inequality has become wider and despite overall economic growth, wealth accumulation has been uneven. The World Bank's 2021 report indicates that low-income countries' share of global wealth has remained below 1% from 1995 to 2018, despite being rich countries and comprising about 8% of the world's population. This stagnation highlights a growing wealth inequality between nations[9]. This context of wealth accumulation not translating to prosperity illustrates how poverty alleviation has never been at the core of globalization's mission. Instead, it has been a secondary, often unintended, outcome of a system geared primarily toward expansion and profit.

Imbalances as a Systemic Outcome

The systemic imbalances created by globalization reflect the absence of robust checks and balances within its structure. Without adequate regulatory oversight, globalization often perpetuates economic, social, and environmental inequalities. Wealth concentration has intensified, with the richest 1% of the global population now owning more wealth than the bottom 50%, as data from Oxfam and other organizations show[10]. These inequalities are inherent to globalization's architecture, where capital flows freely across borders, but

[4] Egwogu, E., & Ikenna, B. (2018). Globalization or A New Wave of Imperialism: Africa in the Contemporary International Political Economy. *Lwati: A Journal of Contemporary Research*, *15*, 199–213. https://doi.org/10.4314/lwati.v15i2

[5] Warr, P. (2000). Poverty Reduction and Economic Growth: The Asian Experience. *Asian Development Review*, *18*(02), 131–147. https://doi.org/10.1142/S0116110500000117

[6] Wade, R. (2004). Is Globalization Reducing Poverty and Inequality? *International Journal of Health Services*, *34*, 381–414. https://doi.org/10.2190/G8F1-01FL-MEDW-JVG1

[7] Sundaram, J. K., Schwank, O., & Arnim, R. von. (2011). *Globalization and development in sub-Saharan Africa*. https://api.semanticscholar.org/CorpusID:15888629

[8] Fighting poverty

[9] Bank, W. (n.d.). *Global Wealth Has Grown, But at the Expense of Future Prosperity*. World Bank. Retrieved November 18, 2024, from https://www.worldbank.org/en/news/press-release/2021/10/27/global-wealth-has-grown-but-at-the-expense-of-future-prosperity-world-bank

[10] Oxfam. (2024, September 24). *Multilateralism in an Era of Global Oligarchy*. Oxfam International. https://www.oxfam.org/en/research/multilaterialism-era-global-oligarchy

regulatory frameworks are limited to national boundaries, creating a gap that multilateral institutions struggle to fill effectively[11].

Furthermore, globalization's impact on the environment has become increasingly evident. The Global Carbon Project reports that global carbon emissions have risen sharply, with CO_2 levels increasing from 4.8 per cent in 1940 to 38 per cent in 2021[12], largely due to the industrial and trade expansions that globalization facilitates. These environmental costs underscore the fact that, without intervention, globalization functions as a mechanism that accelerates wealth concentration and environmental degradation.

In this context, understanding globalization's DNA is essential to grasping why multilateralism is needed to manage the adverse effects of a system that inherently generates imbalances. Institutions like the International Monetary Fund (IMF), the World Bank (WB) and the World Trade Organization (WTO) have historically played key roles in shaping globalization, but their frameworks are often geared toward economic stabilization rather than rectifying the inequities and environmental harm that globalization perpetuates. Membership in these institutions has expanded dramatically, with the IMF growing from 29 members in 1945 to 190 today and the WTO facilitating global trade agreements that have increased merchandise trade to over $19 trillion by 2020. Despite these achievements, the structural limitations of these institutions often prevent them from addressing the root causes of inequality and environmental degradation effectively.

The historical evolution of globalization, coupled with its tendency to sideline poverty alleviation and amplify systemic imbalances, underscores the need for a reimagined approach to multilateralism. For global governance to be truly effective, it must move beyond simply facilitating economic expansion and incorporate stronger regulatory frameworks and mechanisms for wealth redistribution, environmental protection, and social equity.

Only by acknowledging and addressing the three core features of globalization presented above can multilateral institutions address the challenges and meet the demands of a deeply interconnected yet profoundly unequal world.

3. Exploring Why Globalization Requires the Two Core Functions of Multilateralism

As we have established in the previous part of this paper, Globalization's inherent drive for expansion and profit creates a system that, left unchecked, often leads to economic disparities, environmental degradation, and social imbalances. As globalization continues to reshape economies, societies, and the environment, the necessity of multilateralism becomes increasingly evident. In this context, Globalization requires multilateralism for two essential functions. The First Function: Paving the way for **Globalization.** This role involves establishing international finance and trade systems and global value chains (GVCs) as key mechanisms to promote economic integration and interconnectedness. The Second Function: **Addressing**

[11] Bergh, A., Kolev, A., & Tassot, C. (n.d.). Working Paper No. 341: Economic globalisation, inequality and the role of social protection. *Economic Globalisation*, *341*.
[12] *Global CO2 emissions by year 1940-2023*. (n.d.). Statista. Retrieved November 18, 2024, from https://www.statista.com/statistics/276629/global-co2-emissions/

Globalization's Imbalances. This role includes developing cooperative and regulatory frameworks to counteract globalization's adverse effects, such as inequality, environmental degradation, and market distortions. These two functions are essential for stabilizing an interconnected global system that otherwise lacks the governance structures to balance competing national interests, address transnational challenges, and establish a level playing field. Unfortunately, the reality today is significantly away from this ideal framework.

The First Core Function of Multilateralism: Paving the Way to Globalization

Some multilateral institutions, particularly the IMF, the WB, and the WTO, have been instrumental in creating the conditions necessary for globalization to thrive. Through policies that champion liberalization and reduce barriers to trade, these institutions laid the groundwork for a global economic system defined by interdependence and the rapid flow of goods, services, and capital. The IMF, with its role in stabilizing national economies, has promoted financial liberalization[13], allowing capital to move freely across borders. This financial openness enabled multinational corporations to establish production and supply networks worldwide, thereby accelerating the integration of economies through global value chains.

The WB, following IMF's financial liberalization, has further contributed to paving the way to globalization by financing infrastructure projects critical to GVCs that connected the epicentre of the system to emerging markets toward a global economy. These infrastructural investments have been pivotal in reducing transaction costs and facilitating the movement of goods. The scale of the WB's impact can be seen in its lending portfolio: in fiscal 2022, the Bank provided $14.7 billion to support infrastructure in developing countries, an increase of nearly 50 per cent from fiscal 2021[14], with a significant portion directed towards projects in transportation, digital connectivity, and trade facilitation. By investing in roads, ports and digital infrastructure, the Bank has enabled developed countries and associated multinationals to consolidate their participation in global trade by dominating the GVCs. In the case of Africa, such integration has consolidated the neo-colonial model of commodity extraction by keeping Africa locked at the beginning of GVCs.

The WTO's role in fostering globalization is perhaps the most direct, as it establishes and enforces the rules of global trade. Since its inception in 1995, the WTO has worked to reduce tariffs, resolve trade disputes, and promote a predictable trading environment for multinationals. The impact of the WTO's efforts is evident in the rapid increase in global trade: in 2008, global trade accounted for nearly 60 per cent of global GDP[15], a level unprecedented in human history. Even after the financial crisis of 2008 and the disruptions of the COVID-19 pandemic, the trade-to-GDP ratio stood at 62.56 per cent in 2022[16], illustrating the resilience of global trade networks. This rise reflects WTO's mission of maintaining an open trading system deeply entrenched in global value chains, which have become the backbone of the international economic order.

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[13] Stiglitz, J. E. (2004). Capital-market Liberalization, Globalization, and the IMF. *Oxford Review of Economic Policy*, *20*(1), 57–71. https://doi.org/10.1093/oxrep/grh004

[14] *Overview*. (n.d.). [Text/HTML]. World Bank. Retrieved November 18, 2024, from https://www.worldbank.org/en/topic/infrastructure/overview

[15] *World Trade Summary 2008 | WITS | Text*. (n.d.). Retrieved November 18, 2024, from https://wits.worldbank.org/CountryProfile/en/Country/WLD/Year/2008/Summarytext

[16] https://www.wto.org/english/blogs_e/data_blog_e/blog_dta_24apr24_e.htm#:~:text=The%20growth%20of%20world%20trade,payments%20basis)%20divided%20by%20GDP.

In sum, these multilateral institutions, the IMF, the WB and the WTO, have created a conducive environment for/paved the way to globalization by breaking the barriers to capital flows, promoting financial openness, investing in infrastructure, and establishing trade rules. Through their efforts, world trade has become a significant driver of economic activity, illustrating the success of these institutions in fulfilling their facilitative functions. This first function – paving the way for globalization – has been efficiently performed.

However, as globalization has reached new heights, the limitations and challenges of this model have become apparent, revealing the need for a more balanced approach that addresses the social and environmental costs accompanying these economic gains.

The Second Core Function of Multilateralism: Addressing Globalization's Imbalances

This second core function of multilateralism covers development cooperation and international regulation to address Globalization imbalances. Institutions such as the United Nations (UN) and the European Union's development cooperation programs were designed to address/manage these imbalances, notably through the Millennium Development Goals (MDGs) and, subsequently, the Sustainable Development Goals (SDGs).

International regulations are **critical** in a globalized world, where individual nations cannot effectively tackle issues that transcend borders, such as climate change, pandemics, and financial crises. International regulations serve to establish norms, standards, and rules that govern the conduct of states and non-state actors in the global arena[17]. In the absence of regulatory oversight, globalization often exacerbates inequalities and environmental harm, as market forces prioritize profit over social and ecological concerns. Multilateral institutions set the standards that guide global practices, from labour conditions to environmental protections. For example, the International Labour Organization (ILO) establishes labour standards aimed at promoting fair wages, safe working conditions, and the eradication of forced labour. Although adherence varies, the ILO's regulatory role underscores the importance of global norms in protecting human rights within a system that might otherwise neglect them.

Environmental regulation through multilateral frameworks has also become increasingly important as industrial and trade activities drive up greenhouse gas emissions. Global carbon emissions have increased by over 60 per cent since 1990, largely due to rapid industrialization and trade expansion, both key dimensions of globalization. Regulatory agreements, such as the Paris Agreement, seek to limit these emissions by holding countries accountable to emissions targets but are facing issues as far as enforceability is concerned.

These challenges require collective action, as isolated efforts are often insufficient. Multilateral organizations like the United Nations and the World Health Organization (WHO) facilitate cooperation by creating platforms for dialogue, coordination, and the implementation of shared goals[18].

[17] Blum, G. (2008). Bilateralism, Multilateralism, and the Architecture of International Law. *Harvard International Law Journal*, *49*, 323–379.
[18] Caporaso, J. A. (1992). International relations theory and multilateralism: The search for foundations. *International Organization*, *46*, 599–632. https://doi.org/10.1017/S0020818300027843

By understanding why Globalization requires the two core functions of Multilateralism, interdependence between globalization and multilateralism becomes evident. Globalization's reach and intensity necessitate a cooperative and regulatory framework that can only be provided through multilateral institutions. However, the effectiveness of these institutions depends on their ability to adapt to evolving global dynamics and address the shortcomings in both cooperation and regulation. For instance, the WTO's recent challenges in resolving disputes and the Paris Agreement's limited enforcement illustrate the need for reform within multilateralism to strengthen its capacity to manage globalization's adverse effects. As the global system becomes more interconnected, the importance of effective multilateralism grows, but so, too, does the need to modernize these frameworks to ensure they can balance economic growth with social equity and environmental sustainability.

In summary, globalization requires multilateralism to address globalization's imbalances, not only through development cooperation but also through international regulatory activity. While cooperation facilitates joint action on issues that no nation can resolve alone, regulation provides the standards needed to prevent globalization from fueling further inequality and environmental harm. However, this second function has been significantly less effective than the first one, with growing inequalities, persistent poverty, climate degradation, conflict exacerbation, and even the rise of organized crime being clear indicators of failure. For example, in Africa, 600 million people still lack access to electricity—a stark contrast to technological advances elsewhere. Yet, the limitations of current multilateral structures suggest that a reimagined approach is necessary, one that enhances accountability, enforcement, and inclusivity to meet the demands of a 21st-century global system.

4. The Crowding Out of the Second Function of Multilateralism and Erosion of the Post-WWII Global Governance Model

The global governance model established after World War II was predicated on the assumption that multilateral institutions could provide both a cooperative framework for global economic integration ('paving the way function') and international regulation and development cooperation mechanisms ('addressing globalization's imbalances function') to manage its adverse effects. For this model to be effective, the space of each function needs to be preserved. However, over time, the first function of facilitating globalization has increasingly overshadowed the second one, addressing globalization's imbalances. In reality, we witnessed the first function crowding out the second one, leading to a series of structural weaknesses within multilateralism, resulting in regulatory deficits, a lack of accountability, inefficiencies, and, ultimately, a profound erosion of trust in international institutions. The crowding out of the second function is reflected in the following points:

Regulatory Deficit

The prioritization of economic liberalization and globalization over regulatory oversight has led to what can be described as a **regulatory deficit**. This gap has enabled vested interests, particularly large corporations, to consolidate power and exploit loopholes. Globalization's regulatory framework has failed to keep pace with the growing complexities of global finance, allowing for practices like tax evasion and profit shifting by multinational corporations. For example, studies show that some of the largest corporations pay minimal taxes despite

generating massive profits across multiple jurisdictions[19]. According to the Tax Justice Network, the global economy loses around $427 billion in taxes each year to international corporate tax abuse and private tax evasion[20], funds that could otherwise support the SDGs and the African Union's Agenda 2063. This deficit underscores how the absence of adequate regulation has exacerbated wealth concentration and weakened the social contract that multilateral institutions were meant to uphold.

The failure of multilateral institutions to enforce rules has led to widespread criticisms, particularly of organizations like the United Nations and the WTO. The WTO, for example, has faced a significant increase in trade disputes as countries resort to unilateral tariffs and protectionist policies rather than adhering to agreed multilateral frameworks. Data from the WTO shows a marked increase in disputes filed in recent years, indicating growing tensions within the global trading system[21]. Similarly, environmental regulations have often lacked robust enforcement, allowing nations to flout agreements with minimal repercussions. These failures highlight how the regulatory function of multilateralism has weakened, allowing violations of agreed norms to go unchecked and eroding the authority of these institutions.

Absence of Global Political Leadership and Accountability

Another structural weakness of the crowding-out effect is the **absence of global political leadership and accountability**. Multilateral institutions often lack the mechanisms needed to hold nations and corporations accountable for their actions. This was starkly revealed during the 2008 financial crisis, which exposed the inability of multilateralism to manage the imbalances in the global financial system effectively. The crisis, caused in part by unregulated financial markets (regulatory deficit), highlighted the lack of global oversight in areas critical to economic stability. Although institutions like the IMF and the Financial Stability Board were involved in coordinating responses, their efforts were largely reactive and insufficient to prevent systemic collapse[22]. This lack of accountability has contributed to growing public skepticism about the efficacy of multilateral institutions in protecting broader societal interests and global public goods.

Inefficiency of Multilateral Processes

The **inefficiency of multilateral processes** further compounds these issues. Multilateral organizations are often hampered by bureaucratic inertia and complex decision-making processes, which prevent them from adapting to emerging challenges. For instance, while climate change poses an existential threat, the slow pace of international negotiations has led to incremental and insufficient progress. The United Nations Framework Convention on Climate Change (UNFCCC) process, while essential, has struggled to deliver binding and enforceable commitments, leading to criticisms that it lacks the urgency needed to address the climate crisis. This perceived inefficiency erodes public trust and fuels nationalist and protectionist sentiments as people increasingly feel that multilateral institutions are unable to respond effectively to pressing global issues.

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[19] Dillon, S. A. (2016). Tax Avoidance, Revenue Starvation and the Age of the Multinational Corporation. *PSN: Multi-National Corporations (MNCs) (International) (Topic)*.
[20] *The State of Tax Justice 2020*. (n.d.). Tax Justice Network. Retrieved November 18, 2024, from https://taxjustice.net/reports/the-state-of-tax-justice-2020/
[21] https://www.wto.org/english/tratop_e/dispu_e/dispustats_e.htm
[22] A. El-Erian, M. (2008). *The case for modernizing the multilateral framework*. https://www.imf.org/external/Pubs/FT/fandd/2008/12/elerian.htm

Rise of Alternative Governance Models

As multilateralism struggles, alternative governance models have emerged in the form of regional and bilateral agreements. Since the early 2000s, there has been a notable rise in Regional Trade Agreements (RTAs) and bilateral treaties, reflecting a shift in power structures. According to data from the WTO, the number of RTAs in force increased from fewer than 100 in 2000 to over 300 by 2022[23]. These agreements offer more flexible frameworks for cooperation and often bypass the complexities of multilateral organizations, providing nations with a means to pursue economic integration on their terms. However, while RTAs and bilateral agreements may address certain local interests more effectively, they risk fragmenting the global system and undermining the universal principles that multilateral institutions were designed to protect.

Implications for the Post-WWII Governance Model

The cumulative effect of these failures has been an erosion of trust in the global governance model established after WWII. As multilateral institutions have struggled to balance the demands of globalization with the need for regulation, they have lost credibility among the global public. Rising nationalism and protectionism, seen in movements like Brexit and the increasing popularity of populist leaders, can be understood as reactions to the perceived ineffectiveness of these institutions. For many, multilateralism no longer appears to serve the broader interests of the global population. This erosion of trust poses a profound challenge to the post-WWII governance model, raising questions about the future role of multilateral institutions and the potential need for a reimagined approach that better addresses the realities of the 21st century.

One of the clearest indicators of this has been the retreat of several countries from multilateral commitments, particularly in recent years. High-profile cases, such as the United Kingdom's exit from the European Union (Brexit) and the United States' withdrawal from the Paris Agreement under the Trump administration, highlight how national interests can undermine multilateral cooperation. Brexit, for instance, reflected the rise of nationalism and skepticism toward international institutions that many felt no longer served their interests. Similarly, the U.S. withdrawal from the Paris Agreement temporarily slowed collective efforts to combat climate change, with implications for funding and policy continuity. These moves have disrupted global initiatives and demonstrated a shift in national policies away from multilateral approaches, highlighting the limitations of current cooperative structures.

Such policy shifts also reflect deeper issues within these institutions, as shown by the decline in national funding contributions to multilateral organizations. For instance, over the past decade, certain countries have reduced their financial support for bodies such as the United Nations and the World Health Organization[24]. This decline in funding has hindered the ability of these institutions to implement global programs effectively, as their operational capacity is contingent upon sustained financial backing from member states. This reduction in cooperation and financial commitment represents a significant setback for multilateralism's

[23] *WTO | Regional trade agreements*. (n.d.). Retrieved November 18, 2024, from https://rtais.wto.org/UI/PublicMaintainRTAHome.aspx
[24] *Exclusive: U.S. funding to WHO fell by 25% during pandemic | Reuters*. (n.d.). Retrieved November 18, 2024, from https://www.reuters.com/world/exclusive-us-funding-who-fell-by-25-during-pandemic-document-2022-01-25/

ability to tackle transnational challenges effectively. Making multilateralism unable to play one of the functions required by globalization: addressing the imbalances.

5. Moving Forward: Rescuing the Second Function of Multilateralism

Rescuing the Second Function of Multilateralism: 'addressing globalization's imbalances function' is essential to rebuild global governance, restore trust in international institutions, and achieve the 2030 Agenda for Sustainable Development and Agenda 2063 of the African Union. The erosion of regulatory capacity has left multilateralism vulnerable, leading to widespread disillusionment with its ability to manage the negative impacts of globalization. According to the United Nations Trade and Development (UNCTAD), despite reaching historical levels in 2022 due to COVID-19, Official Development Assistance (ODA) decreased by 2 per cent ($4 billion) for developing regions, affecting over 70 countries and almost 3 billion people[25]. For multilateralism to regain its relevance and legitimacy, a transformative approach is required - one that balances economic integration, regulatory oversight and wealth distribution to ensure social equity and environmental sustainability. This effort calls for a reinvigorated commitment to three key principles: acknowledging the emergence of a new economic order, building a win-win transition, and reintroducing accountability in global leadership.

Acknowledging a New Economic Order

The first step in rescuing multilateralism's 'addressing globalization's imbalances function' in its dual dimension, regulatory and development cooperation, is to acknowledge the emergence of a new international economic order. Technological advancements, particularly in digitalization and artificial intelligence, are reshaping global economies, creating new opportunities but also new disparities. These technological shifts are occurring alongside significant geopolitical realignments as emerging economies, particularly in Asia and Africa, gain influence. This transformation demands a rethinking of the structures of global governance, which Western powers have historically dominated. The traditional multilateral institutions, designed in the mid-20th century, are increasingly misaligned with the current economic realities and the interests of a multipolar world. United Nations Secretary-General António Guterres said, "International decision-making is stuck in a time warp. Many global institutions and tools are a product of the 1940s – an era before globalization, before decolonization, before widespread recognition of universal human rights and gender equality, before humanity travelled into space – never mind cyberspace."

Addressing these shifts requires a new form of global collective leadership—one that is inclusive, accountable, and capable of navigating the complexities of this evolving landscape. Unlike the power structures of the past, this new leadership must prioritize the interests of a diverse range of nations, ensuring that the benefits of technological and economic changes are shared equitably. Without a recognition of this new economic order and the power dynamics within it, efforts to rebuild the regulatory function of multilateralism will lack the legitimacy needed to gain broad support. This new leadership framework should aim to manage globalization in a way that addresses the disparities created by technological

[25] *Development aid hits record high but falls for developing countries | UNCTAD*. (2024, April 11). https://unctad.org/news/development-aid-hits-record-high-falls-developing-countries

innovation and ensures that all countries, especially those in the Global South, are active participants in shaping the global economy.

Building a Win-Win Transition

For multilateralism to regain its role in regulating globalization, the transition to a new global order must be framed as a win-win scenario. Historically, shifts in global power dynamics have often been perceived as zero-sum games, fostering tensions and resistance, particularly between the Global North and the Global South. However, this transition offers an opportunity to redefine globalization as a mutually beneficial process. The Western world, which has historically held a dominant position in global governance, must approach this shift not as a threat to its influence but as a chance to build a more inclusive and sustainable global system.[26]

This approach is especially critical for Africa and other regions of the Global South, which have often been marginalized in the decision-making processes of multilateral institutions. By positioning these regions as equal partners rather than passive recipients of globalization's effects, a new form of multilateralism can emerge—one that acknowledges the unique challenges and opportunities within these regions. This has become a survival issue for implementing the 2030 Agenda for Sustainable Development.

A collaborative framework that prioritizes shared interests, such as sustainable development, climate resilience, and poverty reduction, can create a more stable and equitable global economy. This win-win approach is not only necessary for global stability but also represents a moral imperative: a commitment to ensuring that globalization benefits all, not just a privileged few.

> "The implementation of the SDGs calls for a radical change in the multilateralism business model of development finance. The SDG conceptual framework is a break from traditional development thinking. It not only puts together economic, social and environmental goals; the framework is structured to reflect its main and most important feature—the fact that the SDGs call for collaboration, not competition."
>
> **Cristina Duarte, 2020**

Reintroducing Accountability in Global Leadership

The third and perhaps most crucial pillar for rescuing the second function of multilateralism is the reintroduction of accountability in global leadership. Over the past decades, global governance has increasingly been criticized for its lack of transparency and accountability,

[26] Duarte, Cristina. 2020. "Sustainable Financing for (an Owned) Sustainable Development: Time for Africa to Give the Driver's Seat to Domestic Resource Mobilization." In Recovering Better: Economic and Social Challenges and Opportunities, United Nations, Department of Economic and Social Affairs

leading to a disconnect between decision-makers and the populations affected by their policies. For multilateral institutions to regain public trust, there must be a concerted effort to implement new global rules that ensure both economic equity and environmental sustainability. This accountability must extend not only to nation-states but also to multinational corporations, whose activities have significant social and environmental impacts.

Accountability in international policymaking requires a robust framework of oversight and enforcement that can hold actors—whether states or corporations—responsible for adhering to global standards. This may involve the development of new regulatory bodies or the strengthening of existing ones, with mandates to oversee issues such as tax fairness, labour standards, and environmental protection. For instance, tax policies that prevent corporate tax evasion could redirect billions of dollars into public services, addressing the imbalances exacerbated by globalization. Similarly, environmental regulations with enforceable penalties for violations would ensure that economic growth does not come at the cost of ecological degradation.

To achieve these goals, multilateral institutions must prioritize the creation of enforceable, transparent mechanisms that foster genuine accountability. This effort is not just about reforming policy but about reshaping the ethos of global governance to reflect the values of equity and responsibility. By aligning international policies with the principles of accountability and fairness, multilateralism can begin to rebuild the trust it has lost, paving the way for a global system that is truly responsive to the needs and aspirations of all.

6. A Call to Action: UN 2.0 The Accelerator of the UN System Reforms

To rebuild Global Governance, restore trust in international institutions, and achieve the 2030 Agenda for Sustainable Development and Agenda 2063, the second function of multilateralism needs to be rescued – mutually beneficial cooperative frameworks and regulatory oversight. The only multilateral entity that can carry this flag is the UN System. This is the starting point for anyone to understand how the SG/DSG's reform package has been conceived, designed and being implemented to deliver a UN System that can carry this flag.

To support this transition, the UN Secretary-General has introduced a reform package whose main purpose is to support the shift in development thinking embedded in the SDGs. These reforms are designed to enhance the UN's capacity to operate effectively in today's complex global environment, equipping the organization with the tools to address issues of efficiency and effectiveness when supporting member states so that inequality, climate change, and sustainable development are tackled in an integrated manner. This package underscores the UN's commitment to its role as a leader in managing the challenges of globalization while ensuring that economic growth does not come at the cost of social equity and environmental sustainability.

As stated in Policy Brief 11 of the Secretary-General's "Our Common Agenda," "UN 2.0 – Forward-Thinking Culture and cutting-edge Skills for Better United Nations System Impact," "The potential impact of stronger United Nations system expertise is massive. United Nations system entities – including the United Nations Secretariat, specialized agencies, funds and programmes – are present in nearly 4,000 locations across the world, with more than 100,000

civilian colleagues working with 162 partner countries and territories – affecting the lives and livelihoods of over 160 million people." [27]

Recognizing that economic growth with social equity and environmental sustainability is at the core of the reform agenda, the United Nations system is preparing to respond to the Global Governance rescue challenge with a renewed vision and a commitment to transforming multilateralism. This approach is rooted in several transformative components:

A Holistic Conceptual Framework: Sustainable Development Goals (SDGs)

As stated above, the SDGs represent a fundamental shift from traditional development thinking. Unlike previous frameworks, they integrate economic, social, and environmental goals, inherently interconnected, signaling a move toward a holistic understanding of development. This framework promotes collaboration over competition and calls on all actors—governments, the private sector, civil society, and international organizations—to work together to deliver development as an unquestionable public good. The SDGs embody the vision of shared responsibility and collective progress, a vision that is essential for a multilateralism capable of addressing global imbalances.

UN 2.0: The 21st-century skills required for a Stronger Multilateral System

The UN's current leadership has strongly recognized that the challenge of modernizing and strengthening the United Nations system requires a bold shift in skills and strategies to make it fit for purpose in a rapidly changing global context. UN 2.0 has been specifically designed to address this need, ensuring that the UN can carry the flag of forging a new global governance model of multilateralism into the 21st century, particularly in response to the growing needs of developing and emerging economies. These nations, now asserting their right to a place at the global leadership table, require a United Nations system that is both responsive and adaptive to their aspirations. UN 2.0 provides the framework for the UN to support these countries in achieving the SDGs more effectively, amplifying their voices within the multilateral system, and ensuring that their contributions are fully recognized in shaping the future of global governance.

At its core, UN 2.0 is about equipping the UN system with a new set of skills and a forward-thinking culture capable of addressing the complexities of today's world. It embraces a dynamic and transformative approach to modern governance by fostering what has been aptly called the "quintet of change": data, innovation, digital expertise, foresight, and behavioural science. This combination of cutting-edge skills reflects the Secretary-General's vision for a rejuvenated United Nations—one that not only responds to the challenges of the 21st century but also anticipates them, driving progress with a proactive, rather than reactive, mindset.

As outlined in the "Our Common Agenda" series of policy briefs, "Building on major structural reforms since 2017, UN 2.0 encapsulates the Secretary-General's vision of a modern United Nations system, rejuvenated by a forward-thinking culture, and empowered by cutting-edge skills fit for the twenty-first century. Leveraging our diversity, we are striving towards this

[27] Policy Brief 11: "UN 2.0 – Forward-Thinking culture and cutting -edge skills for better United Nations System impact," September 2023, Our Common Agenda.

vision with a powerful fusion of data, innovation, digital, foresight and behavioural science expertise – a dynamic combination that we call the 'quintet of change'".[28]

The UN 2.0 initiative is not simply one more structural reform; it represents a critical element in the UN's role in building a new global governance model. By better serving the purpose of empowering developing and emerging economies to claim their rightful place in international decision-making, UN 2.0 bring the skills needed to reinforce the inclusivity and equity that multilateralism must embody to remain relevant. This forward-looking vision aims to recalibrate global governance so that it reflects the diverse needs of all nations, creating a multilateral framework that balances economic growth with social equity and environmental sustainability. In doing so, UN 2.0 has the potential to make the UN system not just a facilitator of global collaboration but a catalyst for transformative change in an increasingly interconnected world.

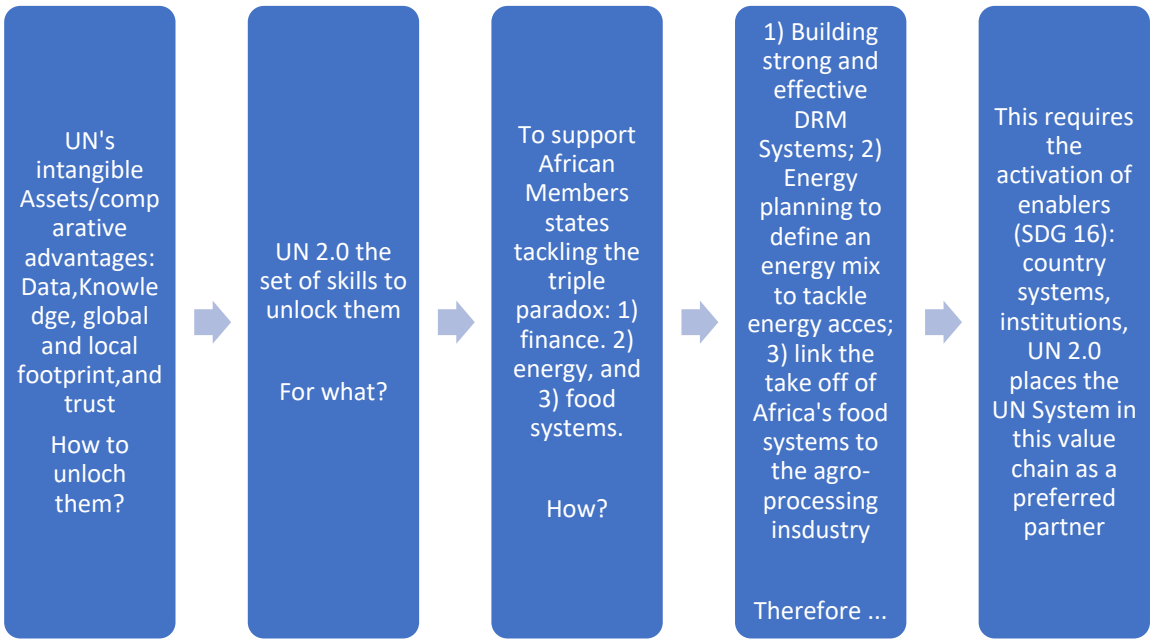
Empowering African Leadership in Global Governance: The Value Proposition of UN 2.0 for African Member States

As African countries work to assert their leadership and influence in international affairs, a revitalized UN system can play a vital role. The UN's support for African nations extends beyond economic development, enabling these countries to shape the geopolitical landscape and rebalance global power structures. Through UN 2.0, the UN can contribute to this process by promoting policies and frameworks that reflect Africa's priorities and by providing the resources and support needed for African nations to become strong voices in global governance. A more balanced global order, reflecting a true correlation of forces, is essential for an equitable international system.

For African member states, UN 2.0 offers a unique value proposition by leveraging the UN's intangible assets: data, knowledge, global presence, and trust. These assets enable the UN to act as a catalyst for sustainable development and lasting peace on the African continent. Through its deep expertise and reach, the UN can provide African countries with the tools and insights they need to address critical challenges, such as Africa's triple paradox presented in OSAA's 2023 flagship report[29]: finance, energy and food systems.

"Africa's sustainable development is hampered by three key paradoxes: rich in financial resources but in debt distress; rich in energy resources but with persistent deficits in access to electricity; rich in agricultural resources but with high levels of food insecurity. These three paradoxes intersect and feed one another. Therefore, solving the paradoxes will require a holistic and integrated approach, recognizing the interconnectedness and interlinkages among them as well as the multiplier effects of interventions." OSAA's flagship report positions domestic resource mobilization (DRM) as a game changer, energy as a driver and food systems as sources of resilience. [30]

[28] Ibid.
[29] United Nations, Office of the Special Adviser on Africa. *Solving Paradoxes of Africa's Development: Financing, Energy and Food Systems*. Flagship Report, November 2023
[30] Ibid.



The potential for UN 2.0 to act as a catalyst means that it is not merely a support system but an active partner in achieving "The Africa We Want"—an Africa that is empowered, sustainable, and resilient. As Africa rises to its rightful place in the global system, it can drive a more balanced and sustainable form of globalization—one that aligns with the interests of all humanity, not just a select few. Through UN 2.0 and its renewed commitment to managing imbalances, the United Nations has an opportunity to redefine global governance for the 21st century, ensuring that globalization is a force for good for all regions and peoples.

7. Conclusion: Toward a New Vision for Global Governance

The multilateral system, as it stands, faces a profound crisis of credibility and effectiveness. The imbalance between the two core functions of multilateralism, the facilitation of globalization and the management of its resulting disparities, has skewed global governance in favor of economic expansion while neglecting the crucial role of regulatory oversight. This imbalance has allowed inequalities to widen, environmental degradation to persist, and public trust in international institutions to erode.

However, there is a path forward. By rescuing the second function of multilateralism—managing imbalances—and fostering a new form of global leadership, the international community has an opportunity to create a more equitable, inclusive, and sustainable global order.

This shift is essential for achieving the 2030 Agenda for Sustainable Development and the African Union's Agenda 2023, ensuring that the benefits of globalization reach all and leave no one behind.

This vision aligns with a broader truth: **"The Africa We Want is the Africa the World Needs."**

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