

## Multilateral Organizations after the U.S.-Iraq War of 2003

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At the end of World War II, the United States found itself in a situation of unprecedented power. The economy of the former hegemonic state, Britain, was decimated by the war. So were the economies of the rest of Western Europe, including Britain's foremost European economic challenger, Germany. While the Soviet Union presented a growing military threat, in economic terms U.S. power was unchallenged, leaving the United States in a position of hegemony.

Washington responded to this new position by adopting policies of multilateralism. Drawing lessons from the economic catastrophes of the interwar years, leaders in the United States determined that the only way to safeguard U.S. interests was to remain deeply engaged with the rest of the world, rather than turning inwards as after World War I. A major mechanism Washington used to implement this policy of engagement was the creation of multilateral organizations, including the United Nations, the Bretton Woods institutions, NATO, and others.

As the new millennium gets underway, the United States finds itself unexpectedly in a position of unipolarity, with no serious military challengers and economic challengers all facing serious problems of their own. A student of international relations who somehow missed the decades of the 1980s and 1990s would be startled at this turn of events. In the late 1970s and early 1980s, the discussion centered around how declining U.S. power might translate into instability in the international system. The assumption

that the United States would continue its relative decline was challenged by some,<sup>1</sup> but widespread.<sup>2</sup>

Anyone comparing U.S. policy in 2003 to that in, say, 1948, would be struck by the contrast. In both periods American power was immense, creating a situation of hegemony or unipolarity. Yet U.S. policy in 2003 did not reflect the multilateralism of the late 1940s and early 1950s. Rather than creating and strengthening multilateral institutions, the United States turned to unilateral policies, denigrated the entire notion of multilateralism as a principle, and refused to participate in numerous new multilateral ventures such as the International Criminal Court.

This paper begins with the observation of this paradox and builds on it to analyze the future of multilateral organizations. I begin by examining the concept of multilateralism, both in theory and in history. I then turn to an analysis of multilateralism, asking why the United States turned to multilateralism after World War II and evaluating its payoffs. The final section applies the insights developed in the rest of the paper to the future of multilateral organizations. It concludes that the current policy of “ad hoc multilateralism,” or turning to multilateral organizations opportunistically, fundamentally misunderstands the nature and motivation for multilateralism. Such a policy is therefore likely to fail, leaving the United States with a stark choice between expensive unilateralism and needing to rebuild its reputation as a reliable participant in multilateral endeavors.

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<sup>1</sup> Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990); Duncan Snidal, “The Limits of Hegemonic Stability Theory,” *International Organization* 39: 4 (Autumn 1985): 579-614.

<sup>2</sup> Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, N.J.: Princeton University Press, 1984); Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict 1500-2000* (New York: Random House, 1987).

*Multilateralism in Theory and History.* What is multilateralism, and what is its relationship to multilateral organizations? Many writers use “multilateral” simply to mean any organization or pattern of cooperation involving more than two states.<sup>3</sup> Others, most notably John Ruggie, have identified an “institution of multilateralism” that is defined by basic principles of behavior. According to this definition, “multilateralism is an institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct.”<sup>4</sup> If an institution is based on generalized principles of conduct, appropriate behavior is specified without attention to particularistic interests. Important norms that express generalized principles of conduct include non-discrimination, indivisibility with respect to appropriate behavior, and diffuse reciprocity. These norms contrast sharply, for example, with bilateralism as an organizing principle. In bilateralism, special deals are struck for each participant and reciprocity is specific rather than being based on the assumption that costs and benefits roughly balance out over time.

This elaboration of multilateralism as an institution is useful because it helps us to see what was distinctive about the multilateral organizations created by the United States after World War II. The trade regime of the GATT, for example, was premised on the norm of non-discrimination. Negotiations took place between the major suppliers of certain goods, but the deals they struck were then extended via the Most-Favored-Nation principle to all other members of the regime. NATO illustrates how indivisibility might

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<sup>3</sup> Robert O. Keohane, “Multilateralism: An Agenda for Research,” *International Journal* 45 (Autumn 1990): 731-64.

<sup>4</sup> John Gerard Ruggie, “Multilateralism: The Anatomy of an Institution,” in John Gerard Ruggie, ed., *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press, 1993), p. 11.

work in practice, with an attack on one member of the alliance considered an attack on all. The UN Security Council might seem an important exception to the norms of multilateralism, since the five permanent members have special status in that they can veto resolutions. However, even here at least the five permanent members are treated as equals, rather than giving the United States a privileged position, representing a scaled-down version of multilateralism.

While some earlier international institutions exhibited characteristics of multilateralism, the U.S. emphasis on multilateral norms and its efforts in building multilateral organizations marked a “discontinuity,” in Ruggie’s terms.<sup>5</sup> Not all organizations reflected multilateral norms perfectly. The Bretton Woods monetary regime, for example, gave a privileged place to the United States with the dollar accepted as equivalent to gold. Nevertheless, even institutions that diverged from multilateralism to some extent reflected multilateral principles in their other aspects.

The U.S. support of multilateralism extended to the creation of organizations in which it would not be a major player. One condition of European states’ receiving Marshall Plan aid, for example, was that they create multilateral systems of cooperation among themselves. This led to the creation of the European Payments Union, which settled debts among European states much more effectively than the former bilateral system.<sup>6</sup> American support of the creation of the European Coal and Steel Community (which has now evolved into the European Union) was similarly premised on the belief that multilateral principles would address many of the problems that had led to war in Europe in the preceding centuries. Far from seeing creation of a cooperative European

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<sup>5</sup> Ibid., p. 23.

<sup>6</sup> Thomas H. Oatley, “Multilateralizing Trade and Payments in Postwar Europe,” *International Organization* 55: 4 (Autumn 2001): 949-69.

economic entity as a threat, the United States actively supported these efforts as in the interests of peace and stability.

Through these efforts, the United States did not seek to maximize its short-term benefits. As the preeminent power of the time, it could have imposed institutions that inhibited the economic and military advancement of others, attempting to assure that it faced no serious competitors in the foreseeable future.<sup>7</sup> Instead it put in place institutions designed to facilitate the economic recovery and political stability of its allies and former enemies. In fact, it did so using a particularly “demanding” institutional form.

Multilateralism is remarkable in that it does not give a privileged position to the hegemon. If generalized operating principles are put into place, the hegemon is subject to the same rules as others. As noted above, multilateral principles were not respected fully. Yet it is striking that this immensely powerful state championed principles and norms that served to bind itself; it created institutions that were premised on the notion that even the United States would play by the rules it asked others to accept. Why so? The following section turns to explanations of this puzzle and evaluation of the consequences of this commitment.

*Why Multilateralism?* Why would a powerful state choose to create institutions that would bind itself? Scholars have approached this question from different analytical perspectives. Some have traced U.S. behavior to the power of ideas. Ruggie finds that “[f]or American postwar planners, multilateralism in its generic sense served as a foundational architectural principle on the basis of which to reconstruct the postwar

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<sup>7</sup> Indeed, other victors throughout history have done so. See Robert Gilpin, *War and change in World Politics* (New York: Cambridge University Press, 1981).

world.”<sup>8</sup> He attributes this to a set of beliefs that earlier had their expression in the creation of the New Deal on the domestic level. Hegemony fostered multilateralism in this period because it was *American* hegemony, rooted in specific American experiences. Anne-Marie Slaughter elaborates this insight by examining the “regulatory state” that grew in the United States during the New Deal and was projected into the international realm.<sup>9</sup> Another twist on this theme is apparent in studies of the creation of the trade regime, which actually began in the 1930s with the passage of the Reciprocal Trade Agreements Act (RTAA). The RTAA delegated negotiating authority from Congress to the president, and so provided the foundation for the multilateral regime that grew in the 1950s.<sup>10</sup> It is common to trace the roots of the RTAA to a belief that the previous trade regime had led to the economic disasters of the 1930s, just as the inadequate security arrangements in Europe had led to two World Wars.

Other analysts focus less on beliefs, ideas, and the lessons of history than on the strategic situation in which the United States found itself at the end of the war. Lisa Martin, for example, assesses the utility of multilateralism and of multilateral organizations in various strategic situations.<sup>11</sup> While the norms of multilateralism can be useful for resolving coordination problems, for example, they seem less well-suited to situations in which states have strong temptations to renege on deals if they can do so unobserved. However, other features of multilateral organizations, such as strong monitoring powers and clear provisions for enforcement, address such problems. What is

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<sup>8</sup> Ruggie, “Multilateralism,” p. 25.

<sup>9</sup> Anne-Marie Slaughter (Burley), “Regulating the World: Multilateralism, International Law, and the Projection of the New Deal Regulatory State,” in Ruggie, ed. (1993), pp. 125-56.

<sup>10</sup> Michael A. Bailey, Judith Goldstein, and Barry R. Weingast, “The Institutional Roots of American Trade Policy,” *World Politics* 49: 3 (April 1997): 309-38.

<sup>11</sup> Lisa L. Martin, “Interests, Power, and Multilateralism,” *International Organization* 46, no. 4 (Autumn 1992), pp. 765-92.

most relevant to the strategic situation after World War II is that the United States was able to take a long-term perspective, as it was relatively free from immediate threats (the Soviet Union did not become a serious threat until the 1950s). American policymakers realized that their situation of preeminence was a temporary one. History taught that hegemons declined relative to other powers; challengers were sure to arise. Just as importantly, decisionmakers did not believe that a situation of unipolarity was desirable, as it would lead to constant threats and instability. Better to encourage the growth of allies who could in the future undertake cooperative endeavors against emerging threats than to attempt to keep them down indefinitely.

Thus multilateralism was designed with an eye to the future. It put into place structures that were in the long-term interest of the United States as well as others, rather than attempting to maximize short-term gains at their expense. A powerful state attempting to create such a system faces a major strategic dilemma, however.<sup>12</sup> On the one hand, it wants to create integrated systems of rules and norms that will persist in the face of an inevitably changing distribution of power. (This goes to the heart of multilateralism.) On the other hand, creating such a system requires that the rules put in place bind the hegemon as well as other states. It is difficult, however, for a hegemon credibly to bind itself. The United States had to build a reputation for multilateralism. It needed to demonstrate that, although it could maximize its immediate payoffs by rejecting the rules that bound others, it instead would play by the rules. It did so by its commitment to multilateralism throughout the economic and security realms, by

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<sup>12</sup> See also G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton, N.J.: Princeton University Press, 2001).



investing significant resources in the creation of multilateral regimes and organizations, and by (most of the time) living up to its commitments within those regimes.

“Self-binding” therefore describes the U.S. strategy at the heart of the multilateral organizations it created after World War II. By demonstrating that it would not constantly flex its muscles to derive the maximum immediate payoffs from all situations, it succeeded in building a reliable, stable set of multilateral organizations. In fact, the regimes created in the early postwar years did persist even in the face of rapid economic recovery in Europe and Japan. By the 1980s, analysts were puzzling about the persistence of cooperation “after hegemony,” and attributing this phenomenon to the institutions created by the United States throughout the postwar era.<sup>13</sup>

By almost any measure, this U.S. strategy of multilateralism was a striking success, both for the United States and for most of the world. On the security side, the goal of preventing the major-power wars that had devastated Europe for centuries has been achieved. NATO also succeeded in preventing war between the United States and Soviet Union, although wars, both international and civil, have plagued other regions of the world. The EU has both deepened and widened, using its own terminology, so that it now covers nearly all issue-areas in which governments make policy, and will expand to 25 members in this decade.

On the economic side, the multilateral trade regime has been highly successful, in spite of recurrent challenges and complaints of backsliding. Tariffs within the developed world are at negligible levels, and in the rest of the world they have seen a steady downward slide. Levels of trade have correspondingly risen. While some dispute whether the GATT and now WTO have, as organizations, been directly responsible for

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<sup>13</sup> Keohane, 1984.

this trend,<sup>14</sup> there is little doubt that the norms embodied in these organizations have contributed to the growth of trade. While the Bretton Woods monetary regime did not survive the 1970s, the organizations associated with Bretton Woods, especially the International Monetary Fund (IMF) and World Bank, have persisted and taken on new functions in the globalized economy. The international financial system has seen very rapid increases in the level of integration, so that the term “globalization” is an apt description of at least this realm. Globalization has brought with it its discontents, and the IMF and World Bank have made mistakes. Yet prosperity has generally increased, and increased most quickly among those states most deeply integrated into the multilateral institutions. Regions that have stagnated and declined, such as much of Sub-Saharan Africa, are those that have not participated fully in multilateralism, and governments in these regions are increasingly looking to partake of some of the benefits of globalization for themselves. Criticisms of some dimensions of globalization, such as its homogenization of culture, are well-taken. But these problems should not prevent us from seeing the tremendous gains that multilateral cooperation has achieved.

The United States has prospered under multilateralism. The calculated risk that investing in multilateral organizations in the hope of achieving long-term stability and progress rather than seeking short-term rents has paid off handsomely. In both economic and military terms, self-binding has proven to enhance American power rather than to diminish it. Self-binding means that at times a powerful state will have to make concessions, engage in protracted and frustrating negotiations, or comply with inconvenient restrictions on its freedom of maneuver. But in the long term, these

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<sup>14</sup> Andrew K. Rose, “Do WTO Members have More Liberal Trade Policy?” NBER Working Paper w9347, November 2002.

restrictions on action have not in any demonstrable way harmed U.S. economic growth or security. In fact, the greatest challenge to security today – global terrorism – can only be addressed with global cooperation, as even the multilateralism-adverse Bush administration has acknowledged.

The postwar system of multilateralism fostered by the United States rested on a foundation of the principles of multilateralism. U.S. policymakers chose to implement these principles because they believed that they would be in the long-term interests of the United States, in spite of the restrictions on freedom of action that they implied. The multilateral world is no nirvana, but it has been remarkably successful in generating stable patterns of international cooperation that have led to security and prosperity and allowed the United States to achieve the position of power in which it finds itself today.

*Implications for the Future of Multilateral Organizations.* The contrast between U.S. behavior after World War II and at the turn of the twenty-first century is stark. Many of the postwar organizations remain with us, although modified in form and content. One might have expected the United States, after defeating its Cold War nemesis and facing no challengers on the immediate horizon, to reinvigorate these organizations or invest in building new ones. Whether out of habit, the lessons of history, or a strict calculation of long-term benefits and opportunities, this would have seemed the natural course of behavior.

Instead, we have seen a distinctive turn away from the self-binding strategy at the heart of multilateralism. The policies pursued by the Bush administration, and exemplified in the U.S.-Iraq War, might be labeled “ad hoc multilateralism” or

“opportunistic multilateralism.” Senior administration officials, including the National Security Advisor, have publicly and explicitly rejected the principle of investing in new multilateral organizations. The United States has refused to sign a number of accords seen as important by the rest of the world, such as the Kyoto Protocol and the International Criminal Court (ICC). The turn from multilateralism is especially notable in the case of the ICC, where the United States is specifically demanding special treatment in a series of bilateral deals, demanding exemption from the ICC’s procedures. This rejects the essence of multilateralism, the “generalized operating principles” that prevent one state from assuming a privileged position. Instead, the United States claims that its unique power requires it to have a privileged position.

The United States thus has rejected the “self-binding” that characterizes multilateralism. The rejection of multilateral constraints was of course most apparent, and perhaps most damaging, in the case of the Iraq War. Here, under intense pressure from its allies, the United States did go through the motions of attempting to gain support for its planned invasion of Iraq from the UN Security Council. But throughout these efforts the administration made it clear that it would act unilaterally if necessary, and in the end failed to gain UN authority for its invasion. The United States did not end up having to act purely unilaterally. It gained firm and valuable support from Britain, and describes a “coalition of the willing” that offers rhetorical, if not always practical, support for the war effort.

Now that the Iraq effort has shifted from full-scale hostilities to reconstruction and a drawn-out battle with determined resisters, the United States is returning to multilateral settings. Peacekeeping and reconstruction will be serious challenges, perhaps

even greater than anticipated. They will be a major drain on U.S. resources for years to come. In appreciation of this, the United States is calling on others to provide resources for these efforts. In response to their demands to work through the UN, we see some renewed willingness by the Bush administration to consider this forum.

Some analysts have seen the occasional attempts to work within the UN as evidence that the administration remains committed, perhaps against its instincts, to multilateralism. I would instead characterize its approach to multilateral organizations as “opportunistic multilateralism” or “ad hoc multilateralism.” When the situation demands it, we see some willingness to attempt to operate within the constraints and rules of multilateral organizations. However, this is done as a last resort and on a purely opportunistic basis. There is a strong preference for ad hoc coalitions of the willing that allow the United States to operate largely without constraints. In no sense does this pattern of behavior reflect the multilateral principles that animated postwar policy.

As argued above, states with the immense power of the United States face immense strategic challenges. In order to gain the sustained cooperation of others, powerful states need to make commitments to play by the rules themselves. Self-binding is a necessary component of long-term cooperation, and multilateral organizations were designed to encourage and facilitate such self-binding by the United States. Today, in contrast, we see an explicit rejection of self-binding as a strategy. Multilateral organizations will be used under duress or when convenient, but not if they put any significant constraints on U.S. behavior.

History and logic suggest that opportunistic multilateralism is a short-sighted strategy. Operating without the inconveniences of multilateral constraints is a

tremendous temptation for the powerful. It allows unfettered expression of power, and may maximize immediate payoffs (although one has to wonder if even this is true in the case of the Iraq war). But the long-term costs can be immense. One of the most valuable aspects of U.S. postwar policy is that the United States developed a reputation for multilateralism. It demonstrated that it would often (if not always) forgo the temptation to act unilaterally in the interest of achieving long-term stability and prosperity. This reputation, in turn, contributed to the success of multilateral organizations.

Reputations can be squandered quickly, and the reputation for multilateralism surely has been. Turning to multilateral organizations only under duress and when it appears convenient demonstrates a lack of commitment, even explicit rejection, of the principles of multilateralism. This in turn leads other states to expect the United States to renege on agreements or operate outside the constraints of multilateral organizations when it is convenient to do so. This hollows out the core of such organizations, as they no longer provide the self-binding function they once did. Multilateral organizations become marginalized, and cannot produce the international agreements and plans of action that provided long-term stability and prosperity in the late twentieth century.

Thus, those who see multilateral organizations as a tool to be used or discarded on a day-to-day basis, or who demand that the United States be given a privileged position within them and not be subject to the rules that constrain others, fundamentally misunderstand the basic premises of multilateralism. Without self-binding by the hegemon, multilateral organizations become empty shells.

What does this analysis imply about the future of multilateral organizations, such as the UN? From a purely explanatory perspective, the short- to medium-term outlook is

bleak. There is little doubt that the U.S. reputation for self-binding has been largely destroyed and will need to be rebuilt if these organizations are to regain their effectiveness. From a normative perspective, the functions that such organizations can perform remain vital. They provide forums for negotiation and coordination of policies. They share information and generate expectations about appropriate behavior, sometimes setting in motion enforcement activities. Concretely, it is difficult to imagine an effective and efficient battle against global terrorism without a framework of multilateral cooperation. On the economic side, the momentum in global trade talks has stalled, threatening some of the gains achieved over the last sixty years and the access of the poorest countries to these gains.

Thus the question is whether there is any likelihood of a reversal in U.S. policy, moving toward a willingness to invest resources in rebuilding a reputation for self-binding. One way to approach this question might be to look for factors that differentiate 2003 from 1950, attempting to identify the underlying factors giving rise to such disparate policies. Ideology may be an important factor, but we need to ask why decisionmakers with particular ideologies are influential at certain periods in history. One objective factor that distinguishes the two eras is the distinction between unipolarity and bipolarity in the military realm. In the postwar era, the Soviet Union was a growing military threat and became a serious threat in the early 1950s. We thus had a situation of bipolarity. In 2003, in contrast, U.S. military might is unchallenged. While security threats are everywhere, they are nebulous and hard to target, in contrast to the straightforward military competition of the Cold War. Unipolarity more accurately characterizes the military distribution of power today.

Can this shift from bipolarity to unipolarity explain the U.S. movement away from multilateralism? Perhaps, at least to some extent. The anticipated, and then real, challenge of the Soviet Union focused U.S. efforts in the early postwar era. It led to a desire to gain allies that were strong economically, stable politically, and had adequate military resources. The long-term perspective that characterized U.S. policy during this era, and led to implementation of multilateral principles, was based on this desire. In contrast, the lack of a single state that represents a major military threat today may have led to a discounting of the value of allies. Why invest in a multilateral organization such as NATO, designed in the past to counter a specific threat, if the threat itself is constantly shifting shape and hard to pin down? Just which allies do we need, and what capabilities should they have? These questions are much more complex today than they were in 1950. Thus a strategy of maintaining a preponderance of power, instead of encouraging the strengthening of allies, may seem a reasonable choice in today's world. Without a Soviet Union looming on the horizon, it may appear more realistic to aspire to long-term unipolarity, shedding the unwelcome constraints of multilateralism.

I would argue that this inference is mistaken; that multilateralism is as valuable today as it was earlier. Unipolarity, as we are rapidly learning in Iraq, is immensely expensive to sustain. Talk has quickly shifted from using Iraq's own oil revenues for rebuilding to "burdensharing" and generating contributions from others for rebuilding and peacekeeping. While the Iraq case is the most pressing and immediate example, the high costs of unilateralism are likely to become apparent in other areas as well. Our long, successful experience with multilateralism may have led decisionmakers to expect stable cooperation from other states to continue, without appreciating that such cooperation was



contingent on the United States itself playing by the rules. When cooperation that was taken for granted fails to materialize in various issue-areas – trade, finance, peacekeeping, sharing of intelligence – we may find that the expected short-term payoff of unilateralism was vastly inflated. In fact, the costs of multilateralism, annoying as they may often be, are likely to pale in comparison to the vast resources needed to sustain unipolarity or, even more grandly, empire.

It will take time and resources to rebuild the U.S. reputation for multilateralism. It will require making concessions and accepting compromises on a wide range of issues on which we might prefer to go it alone or to impose our most-favored solution. But a growing appreciation of the costs of empire can lead to a recalculation of the long-term costs and benefits of multilateralism. If such a recalculation occurs, either by this administration or by the public as elections approach, the future of multilateral organizations will significantly brighten.

*Conclusion.* What does the U.S.-Iraq war imply for the future of multilateral organizations such as the UN? This paper has approached this question by considering the concept of multilateralism, how it has been applied in history, and the logic of a strategy of multilateralism. The multilateral organizations created in the postwar era were based on the principles of multilateralism. The United States championed these principles, although they imposed constraints on U.S. exercise of power, because they promised long-term benefits. These benefits materialized.

In contrast, U.S. policy toward multilateral organizations today is one of opportunistic or ad hoc multilateralism. Principles of multilateralism, implying self-

binding, have been rejected. Instead, multilateral organizations are treated as tools of convenience, to be used when they promise immediate payoffs and minimal restrictions on freedom of action, but in general to be kept marginal and treated with deep distrust.

This paper has argued that a policy of opportunistic multilateralism will gut multilateral organizations and therefore prove costly for the United States. Such a policy misunderstands the logic of multilateralism, which requires the powerful to bind themselves. In order for multilateral organizations to live up to their potential, the United States will have to rebuild a reputation for respecting the limitations of multilateralism. We see little sign of an appreciation this today, but there is some chance that a growing awareness of the very high long-term costs of unilateralism will lead to a renewed appreciation of the benefits of multilateralism.