

The Revival and Challenges of Multilateralism

Multilateralism, which was in a critical state in 2020, was revived by the new US administration of President Joe Biden pursuing a policy of returning to international organizations and agreements and taking the lead in multilateral international collaboration and policy coordination. Concrete progress was made in areas such as the international taxation, but the effectiveness of multilateralism remains to be questioned. As the world continues



A shipment of vaccines against the coronavirus sent to Sudan by the Covax vaccine-sharing initiative, October 2021. (Photo by AFP/Aflo)

to be deeply affected by the coronavirus pandemic, progress has been slow in supplying vaccines to developing countries although the United States has taken a leading role in frameworks such as COVAX, highlighting the North-South vaccine disparity. In the area of climate change, some headway was made at COP26, including coordination between the United States and China, but strengthening efforts to achieve the 1.5 degree target remains a major issue.

The Biden Administration and the Revival of Multilateralism

The new administration of President Joe Biden decided to renew the United States' leading role in multilateralism. In the area of climate change, the US rejoined the Paris Agreement immediately after Biden's inauguration, and hosted the Leaders Summit on Climate in April to encourage major emitters to further strengthen their reduction goals. In addition, President Biden attended COP26, and the US contributed to the conclusion of the negotiations. Regarding the policy to tackle the coronavirus pandemic, the Biden administration voided the Trump administration's plan to withdraw from the World Health Organization (WHO) and assumed a leading role in COVAX by donating \$3.5 billion and contributing a total of 1.1 billion vaccine doses. The human rights-oriented Biden administration also announced its intent to return to the UN Human Rights Council, from which the Trump administration withdrew, and in October the US was elected as a member for the 2022-2024 term. The World Trade Organization (WTO) had been without a leader for six months when Ngozi Okonjo-Iweala from Nigeria was elected director-general after the Biden administration retracted the opposition expressed by the previous administration. In the area of dispute settlement, however, the United States is in conflict with the EU over the role of

the Appellate Body, which is the second instance of dispute settlement, claiming that the Appellate Body is making decisions that overreach its original authority, leaving the activities of the Appellate Body in suspension. As a result, the dispute settlement process regarding imposition under Article 301 of the Trade Act of additional tariffs as high as 25% on China, which was found to be in violation of WTO rules by a dispute settlement panel in September 2020, has essentially been shelved. The conflict between developed and developing countries continued in discussions on WTO reform, and attention had been focused on whether progress could be made at the WTO Ministerial Conference scheduled for the end of November, the first in four years, but the conference has been postponed indefinitely due to the spread of a new coronavirus variant.

President Biden actively led discussions at the Group of Seven (G7) and Group of Twenty (G20) in cooperation with partner countries. Following changes in European perceptions of China, the G7 also served as a forum for discussing and coordinating policies toward China, including measures against forced labor in supply chains. At the G7 Foreign Ministers' Meeting in December, attempts were made for the first time to strengthen relations with ASEAN countries. The G20 reviewed the principle of international taxation for the first time in about 100 years by agreeing on the introduction of a "digital tax" through the OECD's Base Erosion and Profit Shifting (BEPS) framework, and reached an agreement to raise the minimum corporate tax rate to 15% to end the global race to the bottom in reducing corporate taxes.

Thus, multilateralism has shown signs of revival as a place for international cooperation and policy coordination following the crisis it faced in 2020. While concrete progress has been made in some areas, it continues to face difficult challenges, such as the impact of US-China and US-Russia relations, as well as debates over vaccine supply and climate change targets, as described below.

Continuation of the Coronavirus Pandemic and the North-South Vaccine Gap

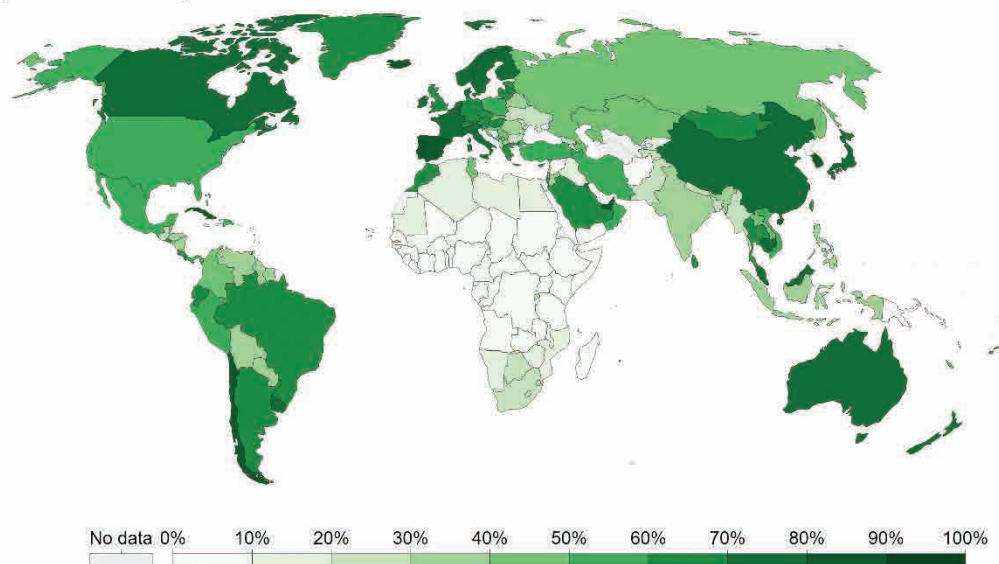
The coronavirus pandemic continued in 2021, with the emergence of more transmissible variants that triggered waves of new infections around the world. Infections and their impacts have been especially severe in Asia compared to 2020. In India, the Delta strain was rampant from March to June, with a peak in May of 410,000 daily cases and more than 4000 deaths (source: WHO). Since June, the Delta strain has spread to Southeast Asian countries, including Indonesia, the Philippines, Vietnam and Thailand, as well as to South Korea and Japan. As the number of infections and deaths increased, countries took measures to control the spread of the disease that had serious consequences for domestic economic activities and supply chains. As a result, economic growth forecasts for 2021 have been revised downward (the July edition of the IMF's World Economic Outlook (WEO) puts Japan at 2.8% and emerging and developing Asia at 7.5%, down 0.5% and 1.1% respectively from the April edition). The negative impacts

are particularly pronounced in countries and regions where vaccination coverage has been slow, and economic recovery in emerging and developing countries is expected to be delayed. It has also been pointed out that developed countries can implement large-scale economic measures, while emerging and developing countries have not been able to put in place sufficient economic measures out of concern over inflation and other adverse effects.

Amid the prolonged economic impact of the coronavirus pandemic, an increasing number of countries, particularly those with high level of vaccination among their populations or those where severe cases and death rates had declined, were resuming their economic activities. Since autumn, however, infections have been spreading again, particularly in Europe, and efforts have been made to restrain economic activities and strengthen infection control measures. In addition, there have been moves to promote boosters and to make vaccinations mandatory in order to enhance vaccine effectiveness as it diminished over time. Prolonged restrictions on economic activities and mandatory vaccinations have sparked protests in many countries, and their social impact is growing. The Omicron strain, a new variant discovered in South Africa, has been confirmed in more than 89 countries as of the end of December 2021, leading to a rapid increase in infections around the world. As the world moves into 2022, there is little prospect to see the end of restrictions on the movement of people across national borders and on economic activities.

Share of the population fully vaccinated against COVID-19

Total number of people who received all doses prescribed by the vaccination protocol, divided by the total population of the country.



Source: Official data collated by Our World in Data – Last updated 9 December 2021, 17:20 (London time)
 Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.
 OurWorldInData.org/coronavirus • CC BY

Figure 1. Vaccine coverage rates (percentage of total population that has received the required number of doses) as of December 2021
 Source: Our World in Data

Although the pace of vaccine production has improved, there has been a significant disparity in the speed of vaccination between developed countries and emerging and developing countries, highlighting the gap between North and South in vaccine supply. As of December 2021, the number of vaccinations had reached approximately 9 billion, and vaccination coverage rates were 67.6% in Europe, 55.5% in North America, 60.0% in South America, 50.9% in Asia, and 7.7% in Africa (Figure 1). Full vaccination coverage reached 68.5% in high-income countries, but the need for boosters to increase the effectiveness of vaccines, which declines over time, has also become apparent, and developed countries are rushing to administer boosters. On the other hand, vaccination rates remain at 29.6% in low- and middle-income countries and only 3.2% in low-income countries, with many people not having received a single vaccination. COVAX is a multilateral framework for the distribution of vaccines involving more than 180 countries/regions that had delivered 965 million doses of vaccines to 144 countries/regions as of the end of December. But there has been a considerable delay from the original target of about 2 billion doses to be distributed by the end of 2021 and the revised target set in September 2021 of about 1.4 billion doses (source: Gavi). Japan hosted a vaccine summit in June and pledged an additional \$800 million, securing an overall donor funding target of \$8.3 billion. The United States, which participated in COVAX under the Biden administration, announced at the coronavirus summit it hosted in September that it would donate an additional 500 million doses of Pfizer's vaccine. To date, the United States has pledged \$3.5 billion in funding and donated a total of 1.1 billion doses. Meanwhile, China has been offering and donating vaccines mainly to emerging countries in South America, Africa, Asia and the Middle East, and has so far delivered 1.7 billion doses (source: BRIDGE). This suggests that China is moving ever more aggressively to win over emerging economies through vaccine diplomacy. The gap between North and South in vaccines was once again highlighted by the emergence of new variants, and supporting the supply of vaccines to emerging and developing countries through multilateral frameworks such as COVAX will remain a pressing issue in 2022 as the world as a whole works to reduce the spread of the coronavirus and achieve economic recovery.

Progress and Challenges Related to Climate Change

In the area of climate change, multilateralism centered on the Paris Agreement has been rejuvenated, with international discussions centering on the 1.5 degree target. The G7 countries accepted the 1.5 degree target as virtually the only target and set reduction goals consistent with it (reducing CO₂ emissions by 45% or more no later than 2030 and achieving net zero emissions by 2050), but the world's largest emitter China and other emerging economies were reluctant to follow suit. Prior to COP26, the United States repeatedly urged China to raise its reduction goals in line with the 1.5 degree target, but China indicated that there would be no cooperation on climate change without improved bilateral relations between the United States and China and did not agree to an increase in the default reduction targets of "net zero emissions by 2060 and peak emissions by 2030".

Despite the attendance of many heads of state/government at COP26, which started on October 31, the leaders of China and Russia did not attend, prompting criticism from President Biden, getting the conference off to a difficult start and making negotiations difficult. However, on November 10, the United States and China issued a joint statement demonstrating their willingness for cooperation in the area of climate change, which greatly increased the forward momentum of the negotiations.

China did not agree to raise its emission reduction targets, while Russia and India only announced their intent to achieve net zero emissions by 2060 and 2070, respectively. The 1.5 degree target continued to be listed alongside the 2 degree target in the Glasgow Climate Pact adopted on November 13, but the emphasis on the 1.5 degree target in the Pact was a major step forward. Other notable achievements of COP26 were the inclusion of phasing down of coal-fired thermal power in the COP agreement for the first time, reaching agreement on rules for the international transfer of emissions reductions, thereby finalizing the “Paris Rulebook” and completing full implementation mechanism of the Paris Agreement. The United States and China are considered to have played major roles in reaching these understandings and to have been the driving forces behind the reinvigoration of multilateralism in climate change.

In the EU, progress has been made in rulemaking with a view to establishing an advantage in economic competition related to climate change. In July, the European Commission released the “Fit for 55” policy package to achieve a 2030 reduction target of 55%, setting out a plan for the automotive sector to ban the sale of new internal combustion engine vehicles, including hybrids, by 2035 and introducing carbon border adjustment measures aimed at protecting the international competitiveness of EU industries with stringent climate change measures. These policies attracted significant attention as moves by the EU to take the initiative in environmental policies.



COP26 President Alok Sharma speaks at the UN Climate Change Conference (COP26) in Glasgow, November 2021. (Photo by REUTERS/Aflo)

Perspectives and Recommendations

Just as the exit from the coronavirus pandemic seemed to be approaching thanks to widespread vaccination and the development of therapeutics, the emergence of new variants has reminded the world that there are still no firm prospects for overcoming this problem. The gap between developed and developing countries in the supply of vaccines remains particularly serious, and the need for booster shots means that this disparity is unlikely to be eliminated anytime soon. For the world as a whole to escape the effects of

the coronavirus pandemic, it is essential that the supply of vaccines to developing countries be stepped up quickly through bilateral and international frameworks. While it is encouraging that the United States under the Biden administration has revoked its withdrawal from the WHO and has become a leader in COVAX, the delivery of vaccines needs to be sped up. Promoting vaccination in developing countries will also require improvement of their infrastructure, and it is essential that Japan and other donor countries maintain their “last mile” supports in, for example, enhancing low-temperature distribution capacity.

In the area of climate change, COP26 called on countries to reconsider their 2030 goals by the end of 2022 in order to align with the Paris Agreement temperature target. Strengthening efforts to achieve the 1.5 degree target will continue to be a major issue in the run-up to COP27. It is important for Japan to make bold efforts to implement the reduction targets it has set. While developed countries have already raised their reduction goals to levels consistent with the 1.5 degree target, it will be impossible to achieve the 1.5 degree target without raising the goals of emerging countries, particularly China as the world’s largest emitter. To protect the multilateral framework of the Paris Agreement and ensure a level playing field for fair international economic competition, Japan, in cooperation with groups of developing countries that are enthusiastic about climate change issues and with the support of international opinion, needs to urge China to set and implement reduction goals that are appropriate for a responsible great power. With regard to assistance to developing countries, another major issue at COP 27, Japan, together with other developed countries, will need to continue to actively provide support for climate change measures in developing countries.

Furthermore, Japan needs to proactively and strategically respond to the EU’s rulemaking under the banner of decarbonization while assessing the medium- to long-term impact on its own industries, through cooperation between the public and private sectors and with other countries adopting the same position, including the consideration of potentially taking the lead in formulating new rules utilizing Japanese technology. ■