

Free-trade deals show that power politics is back

Zaki Laidi

Almost everyone seems excited about the prospect of a free-trade agreement between the US and the EU. But not so fast. The pursuit of such deals is eroding multilateralism, the foundation of post-cold-war international relations. In principle, the emergence of a multipolar world, in which the US is no longer the only very powerful country, should boost

"multilateralism" - institutionalised co-operation among states in pursuit of shared objectives. It should boost efforts to achieve free trade via the World Trade Organisation, poverty reduction through the World Bank, and international security through the UN.

Yet the reality is different. Countries are seeking to extricate themselves from global agreements in order to extract concessions from partners on a bilateral basis or to protect national sovereignty. Take the case of the WTO. A conflict between India and the US over agricultural subsidies derailed a final compromise in the summer of 2008. This would have - finally -

concluded the Doha round of trade talks, which were launched in Qatar in 2001. Negotiations have stalled since the US-India spat. The main responsibility for this failure falls on the US, which believes the system of multilateral trade no longer offers the advantages it used to. The priority for the US is to secure access to markets through enhanced bilateralism. Hence the Obama administration's drive to agree the trans-Pacific Partnership for Asia and, more recently, to conclude the Transatlantic Trade and Investment Partnership for Europe.

In each case, the strategic objective is to contain China's rise by setting a high bar for regulatory standards. The novelty is that Europe, which has long defended multilateralism, is now succumbing to the temptation of bilateralism even while it remains completely incapable of assuming political responsibility for its trade policy.

If the TPP or TTIP come into being, they will kill the WTO. For better or for worse, the organisation will cease to be the place where trade standards are negotiated. A free-trade agreement with the US does offer real opportunities for

Europe, but it also presents two dangers. The first is that it will act in haste in negotiating such a complex agreement by 2014, while also trying to resolve the eurozone crisis. The second is to be trapped by the US, which will already have negotiated standards in the TPP and attempt to impose the same standards on the Europeans, who will be too deep into the negotiations to challenge them effectively.

It is important to understand that the collapse of multilateral trade we are witnessing today is far from being an isolated case. Climate talks since the 2009 Copenhagen conference have challenged the multilateralism heralded by the Kyoto protocol of 1997. The idea then was to move forward on the basis of a shared objective - the reduction of greenhouse gas emissions. Today

America's strategic objective in its trade talks is to contain China's rise by setting a high regulatory bar

countries only make commitments on climate change on the basis of a very narrow assessment of their national interests. The idea that shared commitments - rather than individual interests - shape behaviour is now dead.

In a multipolar world, not only is the number of power centres increasing, so is the number of national interests. For example, the recent climate change conference in Durban, South Africa, included more than a dozen national groupings, such as those from developing and landlocked countries. The WTO is in a similar situation. The Doha round has become frighteningly complex because of the incredible inflation of issues raised by various actors.

This proliferation of interests reflects an erosion of international consensus across many of the areas around which states had rallied in the aftermath of the cold war. One need only compare the enthusiasm surrounding the Rio conference in 1992 with the dramatic failure last year of the Rio+20 environment summit. Many developing countries openly reject the discourse on ecology and climate change used by western campaign groups.

International security has also been weakened by the return to narrow national interests. Since the Nato-led intervention in Libya, the global consensus that seemed to be forming around the idea of "responsibility to protect" has been shattered because many emerging countries see it as a trap that will end up justifying regime change.

That is why they are reluctant to support intervention on behalf of the opposition in Syria. Under Brazil's leadership, emerging countries are pushing hard for a UN resolution that removes the connection between the doctrine of responsibility to protect and the possible use of force. They want a toothless resolution aiming at sheltering national sovereignty against any external infringement.

Since the end of the cold war, Europeans have believed deeply in the existence of a global commons - and the declining importance of national sovereignty. The conduct of both the US and emerging countries suggests the opposite. Power politics is back. Multilateralism is dying.

The writer is a professor at Sciences Po in Paris

FT / April 15 2013