



As the world's largest democracy, India should promote multilateral platforms that can prevent environmental crises of planetary scale and significance.

2. A new multilateralism for chronic risks

The COVID-19 pandemic presents an opportunity to shift international conversations away from dilemmas of common interests and towards issues of **common aversions**.

Common interests, such as trade, finance and technology, bring countries to the negotiating table. But worries about relative gains and losses to each often result in inertia. Supply chains will shrink as countries seek to reduce overreliance on single sources or markets and aim for more localised value and job creation. More than INR 6.25 lakh crore (USD 83 billion) have exited emerging markets during the crisis. Stimulus packages and relaxed monetary policy might reduce the liquidity crunch — but on the condition that the money be spent at home. Technology will pervade not just private lives but will be used for greater surveillance of what other governments are up to. There will be lesser trust in official data. As objectives of countries and companies undergo major shifts, the axioms of free trade, free movement of capital, or freedom of energy supplies will be questioned against a cruder metric: myopic self interest.

In the post-pandemic era, multilateralism has no guarantees. Many issues were already segregated by sector (energy, finance) or increasingly partitioned by geography (trade). There is now limited scope for grand bargains. For the time being, we must settle for *de minimis* multilateralism: What is the minimum on which our interests converge? But we can still drive international cooperation, on specific issues of common concern. Common aversions—outcomes we all wish to avoid—changes the approach to that of coordination. We all have an interest in avoiding pandemics, extreme weather events, or a collapse in agricultural output. The 75th anniversary of the United Nations presents an occasion to reorient multilateralism towards the most pressing challenges rather than overhauling the entire global governance architecture.

For new forms of international cooperation to emerge, we must focus on chronic risks that all countries would have an interest in avoiding. When international cooperation is ebbing, renewed drive for collective action can come from how we organise multilateral institutions to respond to shocks, whether health-related, environmental, or financial. We must now develop the multilateral platforms that can prevent environmental crises of planetary scale and significance.

Multilateralism for chronic risks would rest on two pillars, the principle of transparency and the principle of risk pooling. Towards that end, we must develop a Climate Risk Atlas for developing countries (see discussion on the risk atlas in section 4.1), and create a new Global Risk Pooling Reserve Fund*, which would combine the varied risks of environmental and health shocks across countries to provide vulnerable regions with a risk-resilience insurance cushion.



Pool resources
for collective
insurance
against
calamities in
future: the world
needs a Global
Risk Pooling
Reserve Fund

* Ghosh, Arunabha. 2020. "Multilateralism for Chronic Risks." *UN75 Global Governance Innovation Perspectives*. Washington, D.C.: Stimson Center, Doha Forum, and Council on Energy, Environment and Water.