

# THE UPHOLDING OF MULTILATERALISM IDEA AND THE EFFORTS DONE BY STAKEHOLDERS

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## ABSTRACT

Multilateralism is the practice of promoting trade among several countries through agreements concerning quantity and price of commodities, as the Common Market, and sometimes, restrictive tariffs and goods from outsiders. In this paper, the difference of perception between the Westerns and the Asians on the idea of multilateralism would be looked into in details. Also, this paper highlighted a few points that include the relationship between the stakeholders and the force driving the upholding of multilateralism. Information on this topic are gathered by doing research on published and unpublished materials that dated back to the early formation of the idea so as to support the reliability of this research. In a nutshell, this research paper is highly informative in the field of multilateralism.

## Keywords

Multilateralism, Bilateralism, Stake holders

## 1 INTRODUCTION

This paper is to discuss the issues regarding upholding the multilateralism idea in the global industry. The key features of the multilateral agreement are an open route schedule, open traffic rights including seventh freedom cargo services, open capacity, airline investment provisions which focus on effective control and principal place of business but protect against flag of convenience carriers, multiple airline designation, third-country code-sharing and the last one is a minimal tariff filing regime. This includes the history of multilateralism, which before had been bilateralism, the provision contained by the agreements (such as traffic rights, capacity and ancillary), the countries involve, the effects to the stakeholders, the reason behind the

effort to uphold the idea, the process that the idea gone through to developed into its present form.

### 1.1 Problem Statement

By upholding of multilateralism actions, different countries have different resources and areas of expertise. In the end, the many benefits of multilateralism such as its inclusiveness and ability to facilitate coordination of diverse national trade policies and achieve a happy marriage between domestic interests and trade policy should make it enduring.

Trade improves global efficiency in resource allocation as it allows partners to gain from specializing in producing those goods and services over which they have a comparative advantage. Trade also allows consumers to benefits from more efficient production method through an expansion in consumption and to avail a wider choice.

The idea of multilateralism will well explained in this research paper. This will help government and air services parties to setting the regulation to meet the coming demand from worldwide.

There are forces towards the development of regional arrangements in the regulation of trade air transport. These regional arrangements offer gains over the current system of bilateralism. However they also pose a series of issues which could lead to the development of a complementary set of multilateral negotiations.

### 1.2 Objectives

- To investigate both the features of bilateralism and multilateralism practicality and implications between Asian and Western Countries.

- To examine the origins of bilateralism and review on the forces for changes.
- To determine the forces driving the upholding of multilateralism and the impact of the forces on the airline industry.
- To study the relationship between multilateralism and economy of the countries that implement multilateralism.
- To determine whether the benefits of multilateralism trade off the risk to the involving countries.

## 2 LITERATURE REVIEW

Bilateralism refers to a set of policies that are not coordinated with other countries and/or that engage with one other country alone. Multilateralism implies adopting a coordinated approach among three or more states. Multilateralism arrangement in the region has been played by ASEAN ever since the organization took initiative to apply its well-established model for regional security on a wider Asia-Pacific basis in the early 1990s.

East Asian countries have been engage in strong institutional regional economic integration. Informal integration through the growth of trade and investment flows within the region has reduces incentives for formal organization whereas political factors have constituted major obstacles to the creation of formal regional integration.

## 3 METHODOLOGY

In this study, it is more appropriate to collect information from secondary data. The figure shows the method of data collection in conducting the research.

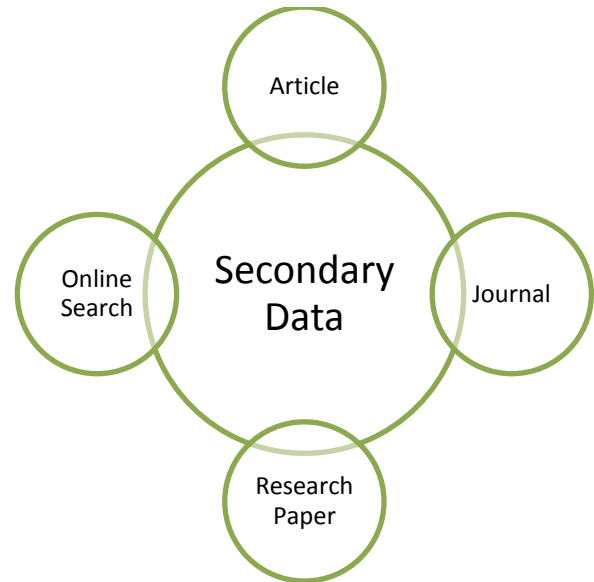


Figure 1: Methods of Data Collection

The figure above shows that the secondary data is the data collection method used in this study. Secondary data includes online search, article, journals and research paper.

Data collection helps researcher to obtain useful information to meet the objectives of the study. According to Burns and Grove, designing a study helps researchers to plan and implement the study in a way that will help to obtain intended results, thus increasing the chances of obtaining information that could be associated with the real situation.

## 4 FINDINGS

Data analysis and interpretation is the process of assigning meaning to the collected information and determining the conclusions, significance, and implications of the findings. The steps involved in data analysis are a function of the type of information collected. By analyzing the data correctly can provide significance values to the leaders of air services industry.

### 4.1 Data Analysis

There are two types of data: quantitative and qualitative data. The ways to analyze and interpret the different types of data are also different. Quantitative data are analyzed with statistics which include descriptive statistics and inferential statistics. While qualitative analysis is a description of program, process, and experiences. Besides that it is best used when for in-depth understanding of the intervention and used for any non-numerical data collected as part

of the evaluation. In this study, qualitative data are being analyzed to get the essential information from secondary sources such as books and journals, both published and unpublished to support the claims.

The upholding of multilateralism idea and the effort done by stake holders has been extracted from many different articles and journals that mostly are partially related to that topic. The research has taken a different approach such as observing the forces that are driving the upholding of multilateralism and the future due to multilateralism. Also, the research has even tried to extend its coverage towards multilateralism's origin and history to ease the understanding of the readers towards the formation of multilateralism and to help them understand why it is of great importance to the countries.

Not only that, this study also includes analysis on the perspective of both Western countries and Asian countries on multilateralism. By conducting the study, a deeper understanding towards a country cultural context, in general, effect on the implementation of multilateralism could be generated through the "generation of observable hypotheses regarding the patterns of support and opposition to multilateralism" according to Milner and Tingley.

The table below shows the preference for multilateral versus bilateralism foreign aid.

Table 2: Preference for multilateral (1) versus bilateral (0) foreign aid.

	S08_1	S08_2	S08_3	F08_1	F08_2	F08_3	F09_1	F09_2	F09_3	F10_1	F10_2	F10_3	PIPA	TKPS
Ideology	-0.24** (0.03)	-0.23** (0.03)	-0.24** (0.03)	-0.31** (0.05)	-0.27** (0.06)	-0.27** (0.06)	-0.34** (0.05)	-0.32** (0.05)	-0.31** (0.06)	-0.26** (0.07)	-0.24** (0.07)	-0.19* (0.07)	-0.09+ (0.05)	-0.22** (0.03)
ActiveRole	-0.07+ (0.04)	-0.06 (0.04)		-0.15* (0.07)	-0.16* (0.07)		0.07 (0.06)	0.04 (0.06)		-0.03 (0.09)	-0.10 (0.10)			
College	-0.03 (0.07)	-0.01 (0.08)		-0.02 (0.12)	-0.02 (0.12)		-0.00 (0.10)	-0.01 (0.10)		0.36* (0.15)	0.32* (0.15)	0.37** (0.13)		
Male	-0.31** (0.07)	-0.33** (0.07)		-0.23+ (0.12)	-0.22+ (0.12)		-0.11 (0.10)	-0.05 (0.10)		-0.12 (0.15)	-0.13 (0.15)	-0.33** (0.14)		
Age	-0.00 (0.00)	-0.00 (0.00)		-0.01+ (0.00)	-0.01 (0.00)		-0.00 (0.00)	-0.00 (0.00)		-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)		
West		-0.10 (0.11)			-0.28 (0.19)			-0.20 (0.15)			0.03 (0.23)			
Midwest		-0.03 (0.12)			-0.21 (0.19)			-0.02 (0.15)			0.20 (0.22)			
South		-0.04 (0.10)			-0.06 (0.18)			-0.06 (0.14)			-0.02 (0.21)			
AsiPref		-0.04 (0.03)			0.05 (0.06)			0.06+ (0.04)			0.15+ (0.08)			
Constant	-0.10 (0.07)	0.20+ (0.14)	0.41* (0.18)	0.17 (0.13)	0.91** (0.31)	0.93** (0.35)	0.09 (0.11)	0.10 (0.21)	-0.13 (0.27)	-0.27+ (0.15)	-0.13 (0.36)	-0.40 (0.39)	0.52* (0.23)	0.72** (0.09)
Observations	1753	1726	1591	898	888	883	1388	1388	1235	731	731	712	515	1030
BIC	1958.10	1926.70	1787.44	1035.31	1022.68	1040.20	1301.33	1403.14	1236.53	603.26	619.45	619.54	645.23	1379.07

Robust standard errors in parentheses. Probit models using survey weights except for TKPS survey.  
 +p<0.10, \*p<0.05, \*\*p<0.01  
 S08 refers to summer 2008 YouGov survey, F08 the fall 2008 YouGov survey, F09 the fall 2009 YouGov survey, and F10 the fall 2010 YouGov survey.

#### 4.2 Associate between the variables

In this study, the main variables are such as the perception of Western countries and Asian countries towards multilateralism and the forces that enables

the upholding of multilateralism. This study is conducted to investigate how do the Western countries see and function in the multilateral way compared to the Asian countries, at the same time, what is the relationship between these two variables? Are there any hidden answers to why some countries refuse to embrace multilateralism? Why some countries prefer multilateralism over bilateralism and vice versa?

According to Milner and Tingley, "Bilateralism refers to policies that are not coordinated with other countries and/or that engage with another country singly. Multilateralism, by contrast, involves both the coordination of policy among three or more states, and coordination around a series of generalized principles of conduct." Milner and Tingley also stated that, "the structure of preferences domestically can affect the choice of multilateralism through its different costs for different groups".

Besides that, as most of the developing countries believed, and according to the citation of Milner and Tingley "in PA models in international relations, governments are principals who have a choice of whether to delegate policy-making to agents, namely international institutions" (Hawkins et al.,2006; Nielson and Tierney, 2003; Tierney, 2006). In this case, the more developed country acts as the PA(principal agent) while the developing countries will have no say in the decision making process.

The study is conducted in a way which considered and investigated all the above variables.

#### 4.3 Conclusion

Data analysis and interpretation is a very crucial process in a study. This is how we get the significance information out of all the data collected without affected by individual's perception or bias. Especially in this study, to measure and interpret the qualitative data is not easy.

### 5 CONCLUSION & RECOMMENDATION

#### 5.1 Conclusion

Basically, this research is conducted to investigate the upholding of multilateralism idea and the efforts done by the stakeholders. It is concluded, from a country's point of view, that multilateralism affects the economic progression, sociology development and the welfare of the citizens of a country. Both Asian and Western counties agreed on the importance of the upholding of multilateralism but differ in the

process and degree of the implementation. However, at the end of the day multilateralism sums up to only one result, “Multilateralism is no longer a choice. It is a matter of necessity, and of fact,” as stated by Forman (2002) cited by Powell (2003). Even though the more developed countries may obtain more on the exchange, Powell (2003) reminded that “nations cooperate because they will benefit in aggregate, not in every transaction”.

It is clear, therefore that the upholding of multilateralism is essential. However, to which extend? Also, there might also be a few enquiries of why is multilateralism the best option and not any other else such as bilateralism or unilateralism. According to Steve Jones of About.com “Unilateralism, obviously, is easy -- a country does what it wants. Bilateralism -- policies enacted by two parties -- also is relatively easy. Simple negotiations reveal what each party wants and does not want. They can quickly resolve differences and move ahead with policy.

Multilateralism, however, is complicated. It must consider the diplomatic needs of many nations. Multilateralism is much like trying to arrive at a decision in a committee at work, or perhaps working on an assignment in a group in a college class. Inevitably arguments, divergent goals, and cliques can derail the process. But when the whole succeeds, the results can be amazing”. Therefore, both Asian and Western countries come to a consensus where multilateralism is inevitably the best solution.

## 5.2 Recommendation

Given the present condition of the upholding of multilateralism by both Asian and Western countries, it is obvious that the Westerns gain a more superior condition compared to the Asian countries. Therefore, it is suggested that the Western countries, as a more developed countries, could make things comparatively easier for the developing Asian countries by sharing a part of the burden. As stated by Milner and Tingley,” A crucial gain from delegation is burden sharing, which involves how the costs of the provision of collective public goods should be shared among countries.”

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