

Toward “effective multilateralism” in turbulent times

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Growing social cleavages with dramatic inequality and growing nationalist reaction after several decades of globalization are threatening the post-World War II global order. Multilateralism and international cooperation have faded as vehicles for global action in the public interest. As we argued in ‘New Narratives’ (2018): ... “global inter-connectedness is also proving too much for many citizens and countries to accept as legitimate. In many countries, angry citizens feel a sense of loss. They see both globalization and global rules as threats to democracy and social well-being.” The specter of intensifying rivalry between the United States and China is now clearly capable of eroding the very foundations of the global economic order.

»China is now a vital threat to the United States both economically and strategically.«

Highly notable in the present political circumstances is the turn in attitude and action especially by Washington toward China. There appears to be a rising tenor of threat, a growing competition and rivalry, and a sense even of a ‘new Cold War’ between these two great economic and geopolitical

players. The growing apparent consensus in Washington on the need to abandon ‘the era of engagement’ and accept ‘strategic competition’ between these two great powers, and to acknowledge the failure of several decades of US engagement, has become ever more vivid¹. The author and CNN host Fareed Zakaria pointedly described this apparent Washington consensus in 2019 in an article in Foreign Affairs:

“A new consensus, encompassing both parties, the military establishment, and key elements of the media, holds that China is now a vital threat to the United States both economically and strategically, that U.S. policy toward China has failed, and that Washington needs a new, much tougher strategy to contain it. This consensus has shifted the public’s stance toward an almost instinctive hostility: according to polling, 60 percent of Americans now have an unfavorable view of the People’s Republic, a record high since the Pew Research Center began asking the question in 2005. But Washington elites have made their case ‘clearer than truth.’”

There is an urgent need now for an alternative framework to the ‘end of engagement’ view. We have initiated a China-West Dialogue (CWD) as a means of developing innovative ideas for a fresh public discourse for global governance based on an alternative framework for China-West relations. The China-West Dialogue is based on three principles: (i) participation of Chinese colleagues and incorporation of China perspectives in our work so that it is a joint dialogue and not a Western dialogue about China; (ii) inclusion of European and Canadian colleagues and perspectives to pluralize the dialogue beyond an exclusive focus on US-China relations; and (iii) an

explicit effort to include perspectives and participation from non-Western countries and developing economies whose citizens have a vital stake in the evolution of West-China relations.

»The post-war liberal international order is being superseded by a fractured, fragmented and conflictive global disorder.«

The China-West Dialogue was formed at a meeting in April 2019 of eleven founding members from China, Europe, North America and Chile, organized by the principals of VISION20 (V20). The China-West Dialogue (CWD) was founded a year ago based on deep concerns about the growing adversarial relationship between the US and China and the need to think beyond the current moment to what alternative frameworks for that relationship might look like over the course of the 2020s. The group of experts from Europe, Canada, China, Chile and the United States who participated in

the BU-CWD Workshop concluded that the framing the US-China relationship within a broader framework of China-West relations would be more likely to render rebalancing based on more diverse views in the mix with strong participation especially of Europe and Canada than an exclusive focus on the toxic China-US relationship. See www.bu.edu/gdp for more details.

Our project is determined to highlight engagement and the collective efforts that can be addressed at the G20 and other multilateral settings around a broad set of global challenges and issues – among others, trade, global financial governance, data flows and privacy, social inclusion, and the threat of climate change – based on a new narrative for global governance.

Thus, we are determined to engage experts in an effort to push back on those actions likely to undermine interconnectivity and economic prosperity. Social upheaval in countries across the globe, and the rise of nationalist populism have demonstrated that the strict neo-liberal market economy has failed to deliver social outcomes that are politically sustainable. This economic failure in democratic countries has generated a political crisis of legitimacy.

The social fallout from an over-reliance on market forces to achieve social progress is evident around the globe. The fear in the West has been that a strong role for the state in the economy would be both economically inefficient and politically dangerous. This bald choice between market economies and state-led economies has polarized debate and paralyzed policymaking. It is also now mirrored in the geopolitical tensions between democracies and authoritarian regimes, most specifically in

China-West relations. These forces challenge both the legitimacy of governments and the foundations of the global order. Without a shift in discourses, the world could be on the way to a bipolar ideological competition between opposing models and narratives between East and West.

These political and economic forces raise the institutional question of whether domestic political processes can be reformed or created so they can mediate between opposing perspectives and embrace contradictions that could lead to combined elements that actually move societies forward by a blending of opposites. Resisting simplistic choices between markets alone, or state-directed decisions alone is now essential. The question for domestic governance is whether sufficient political support can be generated to forge mixed approaches with varying combinations of market forces and policy interventions that can generate greater social inclusion, which in turn could ameliorate threats to the legitimacy of democratic governments. We look for a new paradigm for 21st century people-centered, mixed economies to replace the 20th century predominance of the neoliberal, profit-maximizing, market-economy model², creating more “policy space”³ for innovative policy mixes, thereby defusing polarizing ideological debates and marshalling public support for more effective policies.

The post-war liberal international order now is being superseded by a fractured, fragmented and conflictive global disorder. Part of the alteration is a consequence of the ‘America First’ policies of Donald Trump. For his entire first term as president, Trump has attacked allies, questioned the alliances constructed over

70 years and seemed curiously attracted to authoritarian leaders while praising their nationalistic politics and attacking multilateralism. There need to be alternatives to the simplistic demand by the Trump Administration to decouple the US and Chinese economies

Thomas Friedman, opinion columnist for the New York Times, reflecting in a 2019 article on the growing divide between the US and China, quoted former Treasurer Secretary Hank Paulson who argued in Singapore in 2018:

“The net result, argued Paulson, is that ‘after 40 years of integration, a surprising number of political and thought leaders on both sides advocate policies that could forcibly de-integrate the two countries.’ And if that trend continues, ‘we need to consider the possibility that the integration of global innovation ecosystems will collapse as a result of mutual efforts by the United States and China to exclude one another.’”

Somehow, ‘global governance’ is a positive detriment to cooperation in Trump’s worldview. While Trump has attended leaders’ global summits, both the G7 and the G20, he has not been a positive force. Trump challenges global governance and the multilateral cooperation that such global governance requires. Many suggest that without US global governance leadership, the G20 or other multilateral settings would not be possible. And yet we have seen various leaders step up to maintain or forge multilateral policy, and in various instances without the US.

As emphasized in the Vision20’s most recent Blue Report (2019) on “Effective Multilateralism”:

“But we are not blind to the current trend of disruptive politics, including in

the U.S. with the current administration's bilateral and unilateral 'America First' politics. Such policies and behavior by this American administration makes collective G20 leadership difficult, if not impossible.

Should we then 'throw up our hands' and dismiss the prospects for multilateral leadership? We do not believe that is required. In describing the way forward, we have in various ways urged G20 leaders to exercise 'effective multilateralism,' defined as selective, targeted, and purposeful actions with varied coalitions. We believe encouraging effective multilateralism is a vital tool in meeting the challenges the G20 and the international system face."

While effective multilateralism needs to operate at the state level, there is a far wider set of actors, including foundations and other private and public corporations, who can participate in meeting the challenges of global governance. These actors can engage sub-state actors such as cities, regions, and provinces. Collectively, this variety of communities increases the number of actors and enables these actors to press for more collective and effective action.

At the G20 level, Japan has succeeded in stepping in with others to successfully conclude the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), even though the new US administration had pulled out of the trade relationship. This is an example of effective multilateralism in action. We also saw effective multilateralism in action in the efforts of the G19 – the G20 without the United States. In Hamburg at the G20 in 2017, and even as the new US administration took steps to withdraw from the Paris Agreement on climate change, the

G19 remained firm in their commitment to achieving the needed carbon emission reductions. As the 19, the G20 Declaration confirmed: "We reaffirm our strong commitment to the Paris Agreement, moving swiftly towards its full implementation in accordance with the principle of common but differentiated responsibilities and respective capabilities ..."

»Encouraging effective multilateralism is a vital tool in meeting the challenges the G20 and the international system face.«

We are watching effective multilateralism in action today through the efforts of G7 foreign ministers to conclude "a cyber space strategy to protect their political systems from internet attacks and manipulation of social media by foreign powers such as Russia and China, and to provide a framework for sanctions and public exposure of offenders."

And we saw effective multilateralism in San Francisco at the Global Climate Action Summit (GCAS) on September 12-14, 2018.

This summit was a notable event called by California's Governor Jerry Brown and former New York Mayor Michael Bloomberg. Attendees included many sub-state actors from provinces and states, municipalities and regions (some 6,000) and many non-state actors including foundations, activists and private corporations (some 2,000). These actors were intent on promoting efforts and commitments to reduce carbon emissions at something other than the national government level, especially in the face of the Trump administration's determination to withdraw from the Paris Agreement.

But continuing effort is required. We can see that even with the growing threat of rising carbon emissions, states were unable to reach agreement at COP25 in Madrid in December 2019 on rules for carbon emission tax regimes.

From the Vision20 perspective, the G20 Leaders' Summit is a key platform for meeting the challenges of global governance and for advancing views on how the G20 can act in ways that will propel collaboration and repair globalization. For that, the re-framing of China-West relations is absolutely crucial. Our hope is that the China-West Dialogue can provide innovative foundations for a new global order for addressing global issues that more fully includes China, based on a fresh approach from the West.

For that to happen, the China-West Dialogue initiative seeks to provide opportunities for European and North American China experts to interact and exchange perspectives, and to put China experts from China and the North Atlantic in touch

with US foreign policy and national security experts to discuss the competition-cooperation balance in its political dimensions. We are strongly of the view that one means of pushing back on the strategic competition thesis is to ensure that this not just a US-China framing, but that it also includes Europe as a major actor, and in the near future Japan, Canada and other strategic actors such as Korea and the individual European countries.

By 2015, as veteran G20 watchers and participants in annual G20 engagement group meetings, Alan Alexandroff, Colin Bradford and Yves Tiberghien had converged on a critique of leaders of G20 countries for being too technical, for having short-term outlooks rather than a longer-term vision, and for talking over the heads of G20 publics rather than to them. As a result, they formed a new G20 engagement group, Vision20 (V20), which advocated greater political leadership, long-term visioning of the future and stronger connection with the concerns of ordinary people.

Since 2015, as Vision20 (V20) principals, they have organized a major V20 conference during the China G20 Year in Hangzhou in 2016 and three V20-Brookings seminars, one on labor issues for the German G20 Year in Washington in 2017, another on social cohesion in 2018 and a subsequent V20-Brookings seminar on "after neo-liberalism" in 2019, as well as holding a V20 session in Buenos Aires on "visioning the future" at the Think20 (T20) Argentine Summit in September of 2019.

Reports from these events can be found at: <https://www.thevision20.org/>.

Realizing opportunities of the 21st century for all

The Saudi Presidency's vision and priorities for the G20 in 2020

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The Group of Twenty, or the G20, is the premier forum for international economic cooperation. The G20 brings together the leaders of both developed and developing countries from every continent. Collectively, G20 members represent around 80% of the world's economic output, two-thirds of global population and three-quarters of international trade. Throughout the year, representatives from G20 countries gather to discuss financial and socioeconomic issues.

The Kingdom of Saudi Arabia is assuming the Presidency of the G20 at a challenging moment for the world. We are aware of the responsibility placed on our country, and we believe we can make a positive contribution through the G20 to the common good of people and the planet.

On the economic front, global growth is projected to stabilize in 2020 and even accelerate modestly in 2021. It remains at one of its lowest levels since the global financial crisis. Trade tensions, financial vulnerabilities, market volatility, environmental and geopolitical strains cast a shadow of economic uncertainty on this modest improvement. In particular, growth remains disappointingly low in many countries, stifling the prospects of millions of people.

There has never been a period in history without strains, tensions, and conflict. However, what makes this moment more complex is the risk that, just as global challenges are becoming more pressing, requiring full trust and cooperation to address them, the willingness and ability of the international community to undertake

¹ See, Campbell and Sullivan (2019).

² Different forms of mixed economies are elucidated most recently in Branko Milanovic (2019), *Capitalism Alone*, and in the January/February issues of *Foreign Affairs* on "The Future of Capitalism".

³ See, writing by Dani Rodrik (2011, 2018).

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