Reviving Multilateralism Post-COVID-19

What is the issue?

- The coronavirus pandemic has made a fresh demand for a revived multilateralism.
- In this backdrop, India could play a pivotal role, given the deficit of trust existing with China in many countries.

Why is multilateralism crucial now?

- The value of multilateralism and the necessity to preserve it is newly reminded by the coronavirus pandemic.
- Cooperation among nations will be necessary -
  i. to reduce the further spread of the virus
  ii. to develop effective medical treatments
  iii. to curtail the worst effects of the inevitable recession that is already in the offing

Has the pandemic worsened multilateralism?

- The assumption of the post-war multilateral system was that increasing economic integration and shared prosperity would help enhance affinities and contribute to peace.
- Countries with fundamentally different domestic systems of governance did not form a part of this multilateral order. E.g. the Soviet bloc in the Cold War years
- The multilateral institutions were supposed to enhance the well-being of all.
- But apparently, the ties of interdependence were themselves “weaponized” for nationalistic gain, at the expense of other players.
- There was misuse of existing rules (or loopholes in them) by several countries.
- E.g. China - via forced technology requirements, intellectual property rights violations, and subsidies
- They thus gained an unfair advantage in trade relations, and this was already
attracting critique in the last years.
- But the pandemic has provided some even more alarming illustrations of how damaging the weaponisation of global supply chains can be.
- The severely dented credibility of the World Health Organization (WHO) is an indicator.
- [The paralysis of all three functions of the WTO (negotiation, dispute settlement, transparency) is another sign of the deep-rooted malaise.]
- The pandemic has thus heightened the crisis of multilateralism, not created it.

How is China's response?

- As death tolls rose, many countries responded with export restrictions on critical medical supplies.
- Countries were facing shortages of masks, personal protective equipment, ventilators and more to deal with COVID-19.
- Recognising this, China offered to sell these products to countries in need.
- For instance, when the European Union (EU) put up export restrictions, China stepped in at Serbia’s request.
- But China’s coronavirus diplomacy did not stop there.
- When India complained that test kits imported from China were faulty, China slammed it for “irresponsible” behaviour.
- On Australia’s indication of an independent investigation of China’s early handling of the epidemic, China threatened it with economic consequences.
- The pandemic is thus teaching countries, through bitter experience, that weaponised interdependence is not just a theory but a practice.
- This suggests multilateralism, in its current form, is incapable of dealing with misuse by “systemic rivals.”

How to reform multilateralism?

- There are repeated calls by heads of governments and international organisations urging countries to remain committed to multilateralism.
- To argue for a multilateral rules-based system will never suffice on its own.
- The issue of the goals and values that underpin the rules must be addressed.
- First is the need for reassurance and policies that reflect a renewed commitment to the revival of multilateralism.
- A “retreating” U.S. must show its commitment to strengthening global supply chains based on the promise of ensuring global stability.
- Next is the urgent need for some strategic decoupling, handled smartly in cooperation with other like-minded countries.
- A multilateralism that recognises the need for decoupling will necessitate closer cooperation with some and distancing from others.
Membership of such renewed multilateral institutions would mean limiting deep integration to countries with shared first-order values.
These may include values as pluralism, democracy, liberalism, animal welfare rights, and more.
This might not be very easy, as it might cause considerable disruption to existing global value chains and shrinking of the global economic pie.
Nevertheless, the move would make many more secure than now.

What opportunity does this offer to India?

India may be uniquely positioned to help resuscitate multilateralism.
The U.S. is facing multiple internal challenges including the prospects of a deeply divisive Presidential election in November 2020.
So New Delhi (together with like-minded partners even beyond the usual suspects) could assume leadership.
It can work towards strengthening constructive transnational cooperation.
India could work closely with the Alliance for Multilateralism (an initiative launched by Germany and France).
On the other hand, neither aid diplomacy nor the unleashing of Chinese soft power can easily recover the trust deficit of countries with China.
As some constituencies in the West seek a gradual decoupling from China, they would be well served to look toward India.
At the same time, it is critical to not be seen as immediately isolating China.
So, at a time when China is facing a global crises of credibility, India could lead a coalition to bridge this deficit of trust.
A regime of incentives and sanctions and an attempt at mediation might help.
Gradual socialisation of China into the international system and its acceptance of the multilateral institutions' norms and rules will be key to this.
In the longer term, whether multi-polarity is the only firm guarantor of a sustainable and fairer multilateralism requires further debate.

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