

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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