

Time to Retrieve the First Heart of Multilateralism

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### **Problem: Fragmentation between liberal capitalism and authoritarian capitalism**

The world is increasingly fragmented, a phenomenon not anticipated by Francis Fukuyama who declared “the end of history” in 1992, when the liberal capitalism in the West triumphed over the authoritarian socialism in the East. Since then, an optimism of the dominance of “Washington Consensus” spread all over the world, along with the upsurge of multilateralism, which incorporated China into the multilateralist institutions such as the WTO. Nonetheless, this strategic event brought about the high-speed economic growth in China, together with the strengthening of its authoritarian political regime.

The honeymoon between the liberal world and the “Hide and Bide” China lasted for a while, until the 2008 Global Financial Crisis broke out. Since then, the world has witnessed the resurgence of authoritarian capitalism and the relative decline of liberal capitalism. The Beijing Consensus has acquired more followers, even some EU members such as Hungary and Poland. Moreover, China’s launch of the Belt and Road Initiative and the U.S.-China Trade War are the most eyeball-attracting events that define the new era of the confrontation between liberal capitalism and authoritarian capitalism.

Admitted or not, the depoliticized era of global governance is experiencing an eclipse by politicized economic statecraft, looming with great power competition. Hence, the question of how the liberal world should deal with the increasing authoritarian capitalism, which was led by China, becomes an urgent matter for our time.

## **Clarification between Goal and Means**

Liberal world faces a dilemma: to continue engaging China or to decouple with it. The first option may ensure China does not totally leave the liberal world order, while at the same time will allow China to continue taking advantage of the liberal world's market, technology, and capital. This would allow China to maintain its rapid economic growth which, in turn, would justify the legitimacy of its authoritarian model. The second option would push China to establish its own regional order (i.e., BRI, AIIB, etc..) which eventually would challenge the liberal world order, while at the same time preventing or delaying China's rise. Both do not seem to have a promising future for the liberal world.

To deal with this dilemma, it is necessary to clarify that multilateralism is the means for realizing liberalism, the goal of Bretton Woods system. In the past decades, these two work in the same direction and do not contradict with each other. For long, the means has been so popular to the extent that it becomes a goal itself. However, it is time to reexamine these two respectively.

First, liberalism is based on individualism while multilateralism implies collectivism. Liberalism originated from individualism, thrived on individualism, and serves individualism. Multilateralism is in fact a kind of collectivism that tolerates different political and social systems in nation states. Current multilateralism treats every state equally, no matter if they respect individual rights or not.

Second, liberalism does not mean unlimited tolerance if multilateralism threatens its basic principle. Specifically, liberalism should be intolerant towards illiberalism. It is a violation of liberal principles when countries have authoritarian regimes and try to export their model to others.

Third, multilateralism requires a liberal world order to thrive. When the Bretton Woods system was established, all participating countries had a common value system -- liberalism.

Through the whole Cold War era, all multilateralism was practiced strictly inside the West-led liberal group. After the Cold War was ended, the extension of multilateralism to authoritarian countries seems not successful in making their change but instead causing more heterogeneity in the liberal world order.

### **Choice: a big and thin order, or a small and thick order**

It is time to rethink the future of multilateralism and reposition it. True it is ideal to have a liberal international order that includes every country. Yet today's real question is to choose an international order based on broad principles that can accommodate countries like China, or to form smaller country groups characterized by common value systems? In other words, choice between a big and thin order, or a small and thick order. It is time for liberal world leaders to reconsider the pros and cons and make their decisions as soon as possible. To me personally, I would suggest that Rome wasn't built in a day. In the time when liberalism is stagnated while authoritarianism is rising, a good idea for liberal multilateralism is to "hide and bide."