2021
The crucial year for social order–global order transformational changes

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https://www.csis.org/events/online-event-allied-cooperation-china.

The usual caveat strong applies; I am solely responsible for the ideas in this manuscript, except for the CWD key concepts in section VIII which involve widely shared ideas among CWD participants and members.

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I. Global order support for social order transformation crucial for forging a new multilateralism

The underlying political driver of the current tensions in the global order is the actual or potential failure of economies to deliver social outcomes that are politically sustainable. This is not just a phenomenon that brought about Brexit and Boris Johnson in the U.K. or Trump in the U.S. This has been and is the drama of developing economies for decades, the source of social unrest in Eastern Europe, the fear of the Communist Party of China, and the discontent of Europeans with the strictures of the EU. It is global and deep seated; sweeping and systemic.

Populist nationalism is on the rise and authoritarianism is increasing as a result. The easy road for politicians to take today is to appeal to national strength and rally their publics around the flag. The hard road to take is to seize on this moment of hyper-interconnectivity revealed by the COVID-19 crisis and realize that strong multilateral cooperation and coordination are essential for global health and economic recovery in the short run and systemic transformation in the medium and long run.

The urgent necessity is for governments, societies and firms to realize that there is no going back to normal, that systemic crises require systemic change and that social priorities and people-centered policies are vital to restoring confidence in markets and governance.

But to systemically transform the social order, reinforcement, resonance, and support for systemic transformation from the global system of international institutions needs to become the new global governance priority. Multilateralism needs to be reinvented to create innovative responses to these new domestic social priorities. Strengthening the WHO, the ILO, the OECD and the regional
multilateral development banks is necessary so that they can become the drivers of the international system as front-line innovators, taking on the dominant norm setting roles that the IMF, World Bank, and WTO assumed during the Bretton Woods era.

The fact that social priorities are primordial domestic priorities does not mean the international institutions have no role to play. To the contrary, key roles of international institutions are essential now through peer reviews, sharing best practice, and widening the array of policy options for national governments to engage in selective borrowing for internal application based on national criteria, culture, and practice. The funding that international institutions provide provokes dialogues with governments and societies about priorities and challenges which enable countries to take advantage of global knowledge frontiers embodied in the experience of international institutions. Returning to knowledge-based policymaking in national practice, which is sorely needed now, can be facilitated by these interactions between global institutions and national governments.

New forms of multilateralism and a new global order need to support transformation in the social order. This force field also operates in reverse. Social transformation would strengthen societies such that the new social order would support the global order by reducing my-country-first nationalism, unilateralism, and geopolitical tensions. The social order and the global order can be in constructive symbiosis instead, as now, of being driven by spiraling the destructive dynamics of a bipolar competitive era. A new nexus between economics, society and the global order would create positive synergies toward better futures and greater systemic sustainability.
II. Global governance has stalled, for the moment

The cumulative foreign policy conduct of Donald Trump has finally generated an impasse. The G-7 summit to be hosted in 2020 by the United States, was postponed in June because German Chancellor, Angela Merkel, would not travel due to the coronavirus. In postponing the U.S. G-7 summit to the fall, Trump intimated that he would invite Russia to rejoin the G-7, invited Australia, Brazil, India, and South Korea to join other democracies in the G-7 and made China the key topic. This clutch of proposals has no internal logic, would not actually work, and would create an awkward set of forces in any discussion that even the maestro of reality TV could not manage. As a result, the G-7 is stalled. Canadian prime minister, Justin Trudeau, the British government, and the EU’s top diplomat, all publicly opposed inviting Russia to the G-7. As of October 1, there is no date yet set for the G-7 to meet, virtually or in person. If Trump were to fail to convene the G-7 during 2020, it would be unprecedented in the 45-year history of the G-7-G-8.

Germany is the current host of the EU-China summit process during the German presidency of the EU which began on July 1. Originally, Germany planned a major EU-China meeting of heads of state in Leipzig in September in which a major goal was to complete a seven-year long negotiation of the Comprehensive Agreement on Investment (CAI). In late June, an EU-China summit was held via video conference between the president of the European Council, Charles Michel, the president of the EU Commission, Ursula von der Leyen, and Chinese prime minister, Li Keqiang. This gave Europeans an opportunity to press forward strongly on a “level playing field” on investment, on “market access” in trade, on climate change, digital governance, and human rights.
On September 14, a virtual summit was held with German chancellor Angela Merkel and Chinese president Xi Jinping, in lieu of the Leipzig event. Sixty-two members of the European Parliament had written a public letter on pressing China on human rights and increasing numbers of European thought leaders are said to be “rethinking” whether trade should continue to drive relations with China rather than human rights. Problems remain to be worked out on the CAI, which had been scheduled to be completed for Leipzig, and may or may not be worked out by the end of the year, as originally planned. On November 16, Chancellor Merkel will convene in Berlin an EU leaders meeting focused on China to further develop a European approach.

So, regrettably, the EU-China dialogue is currently stalled. Chancellor Merkel would like to get the CAI done. President Xi has moved on climate change and on digital governance. Maybe there can be a breakthrough on CAI by December 31, when Germany’s six-month leadership of the EU runs out.

Finally, there is the G-20 summit to be hosted by Saudi Arabia, after the U.S. election. The underlying currents and frictions between the U.S. and China, between Turkey and Russia, between India and China, between South Korea and Japan, and within Europe about China make it very difficult to see how any G-20 host, least of all Saudi Arabia, could possibly manage to generate a strong agenda for global coordination and cooperation in this crucial moment. The Saudis reportedly had quietly considered postponing the G-20 summit to December. But, the press release from the G-20 Sherpas meeting during the last two days of September made no mention of any change in the dates. The impossibility of getting agreement on climate change continues to be an obstacle. It is possible that the Saudi G-20 will be a virtual meeting, which would restrain its action and reduce its impact.

What this picture adds up to is that due to the current destructive dynamics, global governance is temporarily stalled. But, there are opportunities, pathways, venues and ideas that can change the dynamics. The rest of this paper explores openings for new leadership in the months ahead.
III. The U.S. election is pivotal; A “turn” is possible

There has to be a “turn” in the United States for there to be a future for global governance and multilateralism. The global coordination of the “recoupling” agenda for linking economic growth to social progress through achieving well-being and social inclusion will wilt if there is not a decisive “turn” by the United States from Trump’s nationalistic unilateralism to a new form of multilateralism.

If Trump is re-elected, there will be a decisive historic break in the U.S.-European alliance, an end to multilateralism as the world has known it since 1945, and a further undermining of democratic values and practices in the United States. If the toxic U.S.-China bilateral relationship continues, bipolar competitive pressures will dominate multilateralism, the 2015 global consensus on Agenda 2030 and the Sustainable Development Goals (SDGs) will be weakened, military expenditures will rise crowding out efforts to increase investment in people needed more now than ever before, and the global effort to recouple social progress to economic growth will be dampened.

Even if Trump is defeated, much depends on reshaping the U.S.-China relationship for broader multilateralism to work. For a Biden presidency to make a successful “turn”, there is a need for alternative frameworks for China-West relations consisting of key concepts for new forms of multilateralism and global governance that are based on a new global discourse. (See section VIII, below.)
IV. Changing the game with China

The U.S. presidential election in November 2020 seems increasingly likely to deliver a new Biden administration taking office on January 21, 2021. Biden is an internationalist and believes in governing, not just messaging. He was, after all, chairman of the Senate Foreign Relations Committee. He will want to shift from nationalist unilateralism to international engagement and multilateral cooperation. For international engagement and multilateral cooperation to work it is essential to shift the U.S.-China narrative to a more positive dynamic. Without changing the game with China, new global efforts will not work.

But even if Biden is elected, there are political obstacles to changing the dynamics between the U.S. and China. “My country first nationalism” is strong even if not dominant within the American public. The recent trends in China toward greater centralization of power in the hands of Chinese President Xi Jinping, the growing assertiveness of the Communist Party of China (CPC), the rise of “wolf warrior” Chinese diplomats in European capitals, the treatment of Uighurs in Xinjiang province, the new security law in Honk Kong, the increased military strength and assertiveness of China in the Pacific Asia region, in and of themselves testify to shifts in China’s strategic posture over the last four years, quite apart from the aggressive rhetorical barrage from the Trump administration.

These actions by China indicate that serious strategic tensions exist which cannot be wished away just by turning off the rhetorical barrage and offering a “make nice” approach to China as if these fundamental tensions did not exist in fact. Halting the “tit-for-tat” Trump tactics is far easier than facing the new realities of Chinese strategic behaviors and figuring out how to get Chinese authorities to accept the realities of a rules-based international system in which compliance and reciprocity are vital. One way is to provide incentives for China to
shift its behaviors in response to new narratives and more professional approaches by the West, especially the United States.

It is crucial to China that, the United States and Europe acknowledge China as a leading power. It is imperative that China be accepted as a peer and player in the international system for that system to work. For its part, China will need to acknowledge that the international system is more than the economic and financial institutions which were the foundations of the Bretton Woods era and that it extends to broader security and social commitments agreed to after World War II which have been further extended by historical practice. These commitments constitute the foundations and ground rules for geopolitical arrangements which accept cultural differences, and which also require continuing adherence to fundamental rights of humanity even as the geopolitical order evolves to accept political diversity in modes of governance and mixed economy pluralism. If China wants to be accepted as a rule maker, it has to commit to complying with and enforcing the foundations of a rule-based system.
V. Managing value tensions for a 21st century global order

The issue of values needs to be faced by all parties involved in forging a new global order. There is a fundamental tension between the primacy of individualist values in the West and communitarian values in the East. Part of what has brought down the curtain on the Bretton Woods era has been trying to use the World Bank and the IMF to universalize Western values. The international institutions created after the second world war were founded on individualist values of liberty, property rights, freedom and sovereignty which were the bases for the market economy, competitive society, democracy, and the nation state. These economic, social, political, and international building blocks became the basis for Western assertion of universality in their application in the second half of the 20th century.

The evidence now suggests that market fundamentalism generates social outcomes that are not politically sustainable, that competitive societies based on social Darwinism of the survival of the fittest leave too many people in vulnerable conditions, that democracies have become caldrons for polarization and policy paralysis and that the nation-state has been weakened by globalization. These manifestations have led to deep doubts about whether individualist values alone suffice as institutional foundations for the 21st century.

Social values such as respect for cultural differences, fairness in providing equal public access to the essentials for livelihood, as embodied in the 2030 SDGs for example, trust in enabling economic commitments and strategic relations, and social responsibility toward others, are also part of the political discourse and history of Western countries. (CIB, GSJ 2019)
The challenge for the West is to realize that blended hybrids of individualist and social values are keys to addressing the social crises internally and enhancing public dialogues internationally.

The West will be less effective in identifying individualist values as paramount externally now that it is clear that rebalancing within Western countries requires shifting toward greater social inclusion, social solidarity and social responsibility internally. For China, an equivalent shift in the opposite direction toward more protection for individual rights, privacy, expression and diversity would improve the human condition and ameliorate tensions internally while responding to global norms which have international adherence and credibility.

Principled accommodation between East and West depends on the willingness of each side to accept each other’s historic commitments.

The West needs to accept China as a leading power with legitimate claims to be a peer, player and rule maker in a new global order based on its own unique evolving mix of market and state, representation and control and social inclusion and economic dynamism even as the West stands by its own historic commitments to democratic principles, market economics, rule of law and human rights. And China needs to accept that for the West a new global order more accepting of diversity in forms and functioning of internal systems must also be a rules-based order based on principles, rights, reciprocity, and compliance. Criticism is the grist of civilization and a source of human progress. Respectful public criticism is essential for governance, domestically and globally.

A 21st century global order is a call to greater responsibility, for higher principles, for more ambitious efforts to achieve common goals but it does not imply silence about fundamental beliefs. More will be gained by all sides if there is a frank exchange of views, and even beliefs. A frank dialogue needs to be based on a commitment to working through differences and problems rather than using them as evidence for taking adversarial positions. While sharpening differences
might enhance domestic support, *mediating between differences* would contribute to the creation of a global community working toward common goals.
VI. The positive roles of the G-20 in global governance

The G-20 is an extremely useful grouping of countries to adjudicate these adherences and constraints. But, since the G-20 is an extension of the Bretton Woods institutions focused primarily on economic and financial relations, it has limitations in being represented and dominated by finance ministers in a world which has crushing social, cultural, humanitarian, environmental and health urgencies. G-20 leaders in the 2020s need to assert strategic visions for the future that connect with their publics rather than continue to focus on tinkering with macroeconomic and finance policy which can be left to ministers. The focus of G-20 summits needs to become *systemic sustainability* within and between countries. People-centered and planet-centered policies need to take center stage.

The capacities of economies and governments to deliver social inclusion have to be demonstrated to become fully legitimate in 21st century societies. And the future of the planet is at risk. To move forward on the human and planetary agendas, global cooperation is essential. For global governance to be effective, China’s participation is imperative and China’s adherence to ground rules is essential. As a result, distinct pressures are on China to understand global concerns about internal breaches with respect to individual rights and on the West to understand that variants in economic and governance practices in terms of the role of the State in the economy are natural results of differentiated development paths rather than exclusively ideological manifestations and fodder for political posturing. Respect and reciprocity are essential.

Clearly, a Biden administration would immediately recommit the United States to the Paris Agreement on Climate Change, to NATO, to the Iran nuclear deal, to reinstating its support and investment in the WHO, and to multilateralism and global governance. Whereas, the details of the Biden administration’s approach
to China are not yet clear, it is clear that “my-country-first nationalism” would be completely abandoned by the U.S. and a renewed commitment to multilateralism and international cooperation would be forthcoming, opening up an opportunity to rebalance cooperation and competition with China.

To what extent Biden will be able to offer the right mix that both attracts and compels China to both contribute and comply with global norms, remains to be seen. A shift will occur; what is less clear is whether it will be a deep enough shift to elicit strong engagement by and with China to forge positive leadership dynamics on a large enough set of issues to make a systemic change toward a new “global order for all”. And it is also unclear to what extent the Xi regime in China will be able to see the potential opportunity presented by a new administration in Washington to motivate greater adjustments in internal and external strategic behaviors to become a more accepted player in the broader international system rather than an outlier and competitive alternative to the previous pretense of Western universalism, which will only divide the world and usher in a new bipolar competitive era.
VII. 2021 is crucial for shifts in leadership and dynamics

The G-20 summit in 2021 will be hosted by Italy. This creates an opportunity for Italy to play a significant role in mobilizing G-20 governments to use that forum again as a means of strengthening global cooperation at a crucial moment with a new constellation of players. Japan’s new prime minister, Yoshihide Suga, succeeded Japan’s longest serving prime minister, Shinzo Abe, and will be a new and important player in 2021, as Japan faces elections in September. Elections in Germany, also in September, will bring to the Chancellorship of Germany a new leader for Germany to follow on the lengthy tenure of Chancellor Angela Merkel since 2005. There will be new leaders at the WTO and the OECD to change the picture. The OECD, under the strong global leadership of Secretary General Angel Gurria, has come to play larger than life roles in the G-20, on new economic policies and metrics, in longer term thinking about “better futures” and the environment, all of which need to continue and to grow.

Italy’s Prime Minister Giuseppe Conte has a major opportunity to strengthen German-Italian ties in carrying through in 2021 on efforts by Germany as Chancellor Angela Merkel leaves office to define a new framework for EU-China relations that can engage with the new Biden administration in orchestrating a fresh start for global governance in 2021 by engaging with China in more productive ways.

After the U.S. election in November, Europeans, Chinese, Canadians, Japanese, and other governments will want to work together and work with the incoming Biden administration to create new global discourses and narratives, new forms of multilateralism and new dynamics between the world and the West and particularly between the West and China. Italy, as chair of the G-20 for 2021, and Germany as the pivotal leader of Europe, each have special roles to play in this
critical transition from disruptive unilateralism to pragmatic negotiated progress on major national and global challenges.

It is vital for people in all countries that the year 2021 be the beginning of a new era of responsibility for the 21st century. Governing needs to replace political theatrics to restore public confidence in governance and markets to deliver for people. To make these shifts, Europe, China, Canada, Japan, and the United States will have to converge on a set of modalities for a new global order.

For this to happen, new frameworks need to be compelling enough to China in terms of conveying convincing acceptance of China’s importance and respect for its uniqueness, strong enough in discipline to drive tough norm setting and compliance processes, transparent and accountable enough that publics have confidence that global negotiations to create agreements that are good for all rather than “deals” which have hidden costs and beneficiaries, and broad enough to capture errant behavior, whether those by shadow banking deviations from regulatory scrutiny, criminal activity, corruption, subsidies, or special side arrangements.
VIII. Toward an alternative framework for the global order

The China-West Dialogue (CWD), founded in April of 2018 by a group of Europeans, Canadians, Chinese, Chileans and Americans, has been working to develop “an alternative framework” in order to “reframe, rebalance and reconceptualize China-West relations” to “avoid the emergence of another bipolar competitive era” and to “pluralize the toxic bilateral US-China relationship” into a broader dynamic that is more multifaceted, representative, open and inclusive. The CWD held a workshop on “The Search for a 21st Century Global Order” on March 20, 2020, hosted by Boston University which generated a “public statement” signed by twenty participants and CWD founding members. The CWD contributed a “Global Table” on “The future of multilateralism and global governance” to the fourth Berlin Global Solutions Summit (GSS) in May-June 2020.

As a result of these two efforts, CWD has developed a set of “key concepts” drawn from its participants and members which constitute a first cut at an evolving “alternative framework for China-West relations”. The key concepts are:

- the stage setting concept is that the global order is not a single global order but consists of eight or more global orders and that the behaviors of China and the U.S. vary within each of these global orders, which opens the door to greater pragmatism and flexibility; (Johnston, IS, 2019);

- it follows from this concept that disaggregating the global order into different negotiating forums depending on the issue is a key step to move away from ideologically driven position taking;

- disaggregating involves delinking issue areas from each other, in particular to avoid having differences on military security issues drive
differences in other issue areas, contaminating global governance in the process, as is currently the case;

- the concept of *pluralistic modernization* of countries as the driver of development places a premium on differentiation in pathways toward modernity based on history, culture and politics rather than positing or implying that modernization is westernization (Chen, GSS2020);

- a related idea is the proposal that *multiple narratives* be the core concept for the global discourse which enables the global order to move away from the prominent role that the “Washington consensus” had during the Bretton Woods era (Chen, V20 panel at the T20 summit in Buenos Aires in September 2018);

- the notion that “all economies are mixed economies” based on historical experience is put forward as *mixed economy pluralism* as a means of moving away from the dichotomous debate between market fundamentalism and state-run economies as a false paradigm (Bradford, BU-CWD Workshop, March 2020; Milanovic, 2019);

- *embracing contradictions* and *incorporating opposites* in decision-making are features of party politics in China which seem to have relevance for governance processes more generally in providing ways to take advantage of the intrinsic complexity of most policy issues in order to forge *composite outcomes* that contain contradictory elements instead of conceiving policy making as a process of finding compromises in the middle ranges of linear trade-offs between false dichotomies (Brown, 2018);

- the dynamic of *shifting coalitions of consensus* depending on the issue being addressed seems now, in this moment, to be a more propitious concept than the notion of “allies”, in that it implies that countries’ interests and behaviors may vary from issue to issue and that avoiding “blocs” provides more opportunity to generate forward momentum in reaching agreements across a range of issues, rather than being stymied
by stalemates between rigid groups of countries (Bradford and Patrick, 2010);  
• a keen awareness of the degree to which all nations today are facing public concerns about the capacity of their economies and governance processes to deliver social outcomes which are politically sustainable and that domestic social issues are now at the top of both national and global agendas (Bitar, Linn and Polaski March 20, 2020); and  
• the proposition that countries give priority to engaging on global challenges, rather than making regime types prerequisites for involvement in global governance, is a more realistic path to engagement than letting the nature of the governments prevent cooperation from moving forward. (Paul Martin, March 20, 2020)

Summary of CWD “key concepts” for an “alternative framework”

1. The existence of global orders instead of a single global order;  
2. disaggregating negotiating forums;  
3. delinking issues;  
4. pluralistic modernization as a national narrative;  
5. multiple narratives as a new global discourse;  
6. mixed economy pluralism as historical reality;  
7. embracing contradictions in decision-making;  
8. shifting coalitions of consensus instead of blocs;  
9. delivering social outcomes as the new imperative;  
10. prioritizing addressing global challenges over debates over regime types.

These 10 “key concepts” constitute the current formulation of an “alternative framework” for China-West relations by the China-West Dialogue based on its work thus far. We call this framework “strategic
engagement” to contrast it with other past and current approaches to the international order. (See Alexandroff, Bradford and Tiberghien, 2020.) We see new forms of multilateralism emerging which include the concept of “effective multilateralism” in which cooperation moves forward led by different clusters of countries depending on their capacity to agree regardless of whether significant powers do or not. (See Tiberghien, Alexandroff and Bradford, 2019).

**This set of ideas and concepts is compelling for several reasons.**

First, each of the ideas have intrinsic validity on their own based on historical experience and insights into the current dynamics driving global governance. But, their value is enhanced by the consistency and synergy between them. They both stand alone and fit together in a coherent way. The total equals more than the sum of the parts.

Second, the ideas come from thought-leaders from different systemically important countries and regions: Europe, Canada, China, Latin America (Chile) and the US. The fact that these ideas originate from different national or regional perspectives is important because it means that there is representation in this composite set of concepts that reveals involvement, engagement and acceptance of diverse ideas.

*Pluralism* is a foundational concept of the CWD, both as a means for defusing conflicting narratives and as a means of constructively working toward understanding, respect and ultimately cooperation. In contrast to “like-minded” groupings, CWD privileges the notion that diversity of perspectives yields better results by embracing complexity and even contradiction. This is a central point which distinguishes the CWD approach from the strong tendency put forward by many to engage in alliances of like-minded countries based on common values which tends to exclude key
players, and which seems to strengthen adversarial relations rather than ease them.

And third, the fact that now this set of ideas exists and is agreed to by CWD participants and members means that, despite all of the increasing, even accelerating, evidence of the toxicity of US-China relations at the moment, an alternative framework for China-West relations exists and has been demonstrated to have validity given the composition of the group of thought leaders who created it and agree to it.

This does not mean that this particular formulation is THE “alternative framework” that will be adopted eventually by governments of major countries. Further interaction, exchange and discussion of these propositions can lead to further elaborations which eventually, when the political circumstances are right, can be adopted as a new global governance discourses, as new narratives, and as pathways forward toward greater cooperation, coordination and concerted action by G-20 countries and others.

“Avoiding another bipolar competitive era”, a mantra of CWD, is indeed possible. There are alternatives to the current destructive dynamics. There are alternative ways of moving forward with China by involving China constructively and firmly, based on the urgency of global challenges, the complexity of existing entanglements and the inadequacy of “go it alone” tactics which fail to achieve results while generating tensions which encourage strong man behaviors.
References


China-West dialogue references


NOTE: The Agenda 2030 Sustainable Development Goals (SDGs) endorsed by all nations in 2015 provide a framework for national efforts to achieve structural transformation for systemic sustainability, and a convergence point for China-West collaboration on prioritizing people-centered, planet-centered policies for achieving social inclusion.


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