

Opinion **The FT View**

No, Mr Putin, western liberalism is not obsolete

Mainstream US and EU politicians must work harder to defend values and address discontent

THE EDITORIAL BOARD



Vladimir Putin and Donald Trump shake hands at the G20 summit in Osaka. Despite the Russian president's claims, it is to the west that the world's poor and oppressed still overwhelmingly head © AP

The editorial board JUNE 28, 2019

There is an air of triumphalism in [Vladimir Putin's](#) claim — in an [interview](#) with the Financial Times this week — that [liberalism is obsolete](#). Since returning as Russian president in 2012 Mr Putin has sought to undermine the liberal western order. Yet his victory cry is hollow. Liberal, market-based democracy remains the organising principle in most non-petrostate countries with the highest living standards — and vital to the dynamism that generated their prosperity. Mr Putin's statement is a signal, nonetheless, that western politicians must step up efforts to defend liberal values against the challenge from populist nationalists.

That challenge is real. The post-cold war global dominance of America and the EU, and the system they represent, is over. The challenge also comes partly from within. Mr Putin's comments chime with those of both east and west European nationalists such as Marine Le Pen, Viktor Orban and Matteo Salvini; or of Steve Bannon, onetime consigliere to US president Donald Trump — and of Mr Trump himself. Indeed, with his tariffs and contempt for multilateralism, the US president is arguably a bigger threat to the liberal west's cohesion than his Russian counterpart.

Mr Putin's triumphalism is misplaced. Not all of liberalism is under threat. The superiority of private enterprise and free markets — at least within individual nations — in creating wealth is no longer seriously challenged. What is at risk is open borders, and values such as social

tolerance, individual rights, democracy and rule of law. The most successful fusion of a market economy with an illiberal political system is not Russia but China.

The Putin system's recent record is weak. Thanks to the failure to diversify away from natural resources, coupled with western sanctions imposed over Russia's military intervention in Ukraine, annual growth since Mr Putin returned to the Kremlin has averaged a meagre 1.1 per cent. Real household incomes have fallen five years in a row. An uncomfortable annual TV phone-in last week showed the Russian president is finding it harder to contain popular disgruntlement. Few foreign leaders name Russia as a model.

While America is no longer the shining city on the hill it once seemed, the world's poor and oppressed still head overwhelmingly for the US and western Europe — not just because they are wealthy, but because they are also seen as havens of freedom. Russia is a magnet neither for the poor, the wealthy, nor much recent foreign investment.

Plainly, however, there is disenchantment among western voters with liberalism. The financial crisis dented faith in the economic system and political and business elites. It catalysed a sense that too many have lost out from globalisation and immigration. The populists' answer — to bring down barriers — is misguided. Trade wars tend to shade into real ones. To roll back populism, mainstream parties must take voters' grievances seriously and find innovative ways to address them.

Western governments must ensure the rich, and multinational corporations, are taxed fairly and curb excessive executive pay. They need to invest in services and infrastructure, and in educating workforces to cope with a world of robots and artificial intelligence. They must also accept they are immeasurably stronger and more influential when they pool sovereignty in rules- and values-based institutions. Brexit, like Mr Trump's isolationism, is a worryingly backwards step.

The tasks are not trivial or easy. Neither are they impossible. Renewing and revitalising liberalism is the best way to expose the barrenness of the worldview of Mr Putin and his ilk.

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