5
Liberal International Theory

Liberal international thought appeared to have made some significant practical gains by the early twentieth century with the Hague peace conventions. But the events of 1914–18 demonstrated the inadequacy of the rudimentary international institutions that existed then to prevent or even mitigate the unprecedented scope and violence of world war. For liberal thinkers, this simply demonstrated the desperate need for institutions that could play a more effective role in the future. This was the spirit in which the architects of the post-First World War international order approached the task of crafting a major international institution in the form of the League of Nations. These developments also provided the initial context for the formal establishment of the IR discipline, the first university chair for which was established at Aberystwyth, University of Wales, in 1919 for the purpose of pursuing the systematic study of international politics with an emphasis on the causes of war and conditions for peace (Long and Wilson, 1995, p. 59). The Royal Institute of International Affairs (otherwise known as Chatham House) was founded in London in the same year.

The failure of the League of Nations to prevent the Second World War, and the display of aggressive power politics that led to the cataclysmic events of 1939–45, occasioned much criticism of liberal 'idealism', as we have seen in earlier chapters. Even so, a major effort was made to build more robust international institutions for the management of international conflict. This led to the establishment of the United Nations and international economic institutions, as well as the strengthening of international law. In addition, much more attention was paid to the idea of universal human rights, as reflected in the UN Charter. All this occurred in a period of rapid decolonization which saw the liberal principle of self-determination in the form of sovereign statehood come into its own as a right for colonized peoples, although the dynamics of the Cold War, problems of underdevelopment and continuing dependence on former colonial powers and aid donors severely compromised the formal sovereignty of many former colonial states.

The early twentieth century saw major developments in liberal economic theory. John Maynard Keynes (1883–1946) founded one of the most influential schools of thought in economics to date. Keynesian economics promoted free trade and other liberal goods but was also concerned with the importance of strategic government action in stimulating the

economy through public spending at times of economic recession. Other challenges for liberal thought in the mid- to late postwar period were presented by realist thought, especially in its influential neorealist manifestation, which came to dominate the study of IR in the US in particular. This in turn saw the rise of neoliberal IR theory, highlighting phenomena such as increasing transnationalism, interdependence, the development of international regimes and the role of non-state actors.

Another boost to liberal ideas brought about by the end of the Cold War was the 'end of history' thesis, which rests on the assumption that the failure of communism in its heartland signalled the final triumph of both capitalism and liberal democracy as the only really viable economic and political systems. These developments stimulated fresh liberal theorizing on the 'democratic peace', although this was to be more or less hijacked under the administration of George W. Bush as a part of the justification for a war that actually contravened liberal principles. This prompted in turn the further elaboration of another liberal idea, 'soft power', which may be understood as a form of public diplomacy suited to a complex world which simply cannot be managed effectively through coercion or economic manipulation. Continuing problems of violence and suffering within states in the post-Cold War world have also seen the

principle of non-intervention come under greater scrutiny, with notions of humanitarian intervention and 'the responsibility to protect' challenging the principle of inviolable state sovereignty. In addressing these and other issues introduced above, we shall see more clearly the tensions between realist and liberal visions of world order as they developed from the early twentieth century onwards.

Liberalism and the Rise of International Institutions

It has been suggested that liberals writing after world wars have usually been on the defensive about human nature but have nevertheless persisted in 'resisting the dark conclusions of the realists' (Smith, 1992, p. 203). But such resistance, while requiring a certain optimism about the possibilities for progress, has rarely entailed a starry-eyed view of natural human goodness on the part of serious liberal writers. Two of the most prominent liberals of the early twentieth century, Leonard Woolf and Norman Angell, adopted a much more circumspect view (Sylvest, 2004, p. 424). Angell's book *Human Nature and the Peace Problem*, first published in 1925, opened with a critique of the kind of idealism that overlooks the worst aspects of human nature. 'Man, after all, is a fighting animal, emotional, passionate, illogical' (quoted ibid.) But Angell went on to argue that this is

precisely why it is so important that international institutions be created.

Key Quote Human Nature and the Necessity of International Institutions

If mankind were 'naturally' peaceful, if men had not this innate pugnacity, were instinctively disposed to see the opponent's case, always ready to grant others the claims that they made themselves, we should not need these devices; no League of Nations would be necessary, nor, for that matter, would courts of law, legislatures, constitutions. (Angell, quoted ibid.)

While apparently echoing realist sentiments, the key difference is the liberal belief that humans are capable of positive *progress* in political and social spheres, which includes building cooperative relations in the interests of maintaining peaceful and productive relations in the international sphere. This was reflected, in the immediate aftermath of the First World War, in the establishment of a major institution of international governance in the form of the League of Nations.

By this stage, as one commentator notes, internationalists had developed a more systemic explanation of the role of anarchy in the tendency to interstate warfare and a better

understanding of how the absolute sovereignty of states, on the one hand, and the lack of an arbiter between them, on the other, required an institutional ordering of international relations (Sylvest, 2005, 282–3). This was accompanied by a belief that the success of institution-building required the development of an 'international mind'. The first holder of the Woodrow Wilson Chair at Aberystwyth, Alfred Zimmern, held that this intellectual construct was essential to the progress of humanity, asserting further that the 'international mind and the logic of internationalism embodied in the League of Nations were not the products of some utopian musings but reflections of a deeper reality' (cited in Morefield, 2005, p. 128).

As we have seen, liberal internationalism had been developing over several centuries in European and American intellectual thought and came to incorporate a strong association with ideas of international law, which in turn required a form of institutionalization. Although an association between law and peace – rather than law and war – can be traced to the time of Grotius, more effort had actually been expended on refining the laws of war. It is said to have taken the massive shock of the First World War to achieve a major focus on the conditions for *peace* (Rich, 2002, p. 118). This led proponents of the League to draw on and further elaborate the moral dimensions of

earlier liberal thought (Sylvest, 2005, p. 265). Thus liberal internationalism 'attempted to counter *realpolitik* through a moral, ethical approach to international order, with a concern to stress international justice and provide an alternative to power politics' (Pugh, 2012, p. 3).

Liberal internationalism came to be closely associated with the American wartime president Woodrow Wilson (1856–1924), a key figure in the founding of the League. He had led his country into war to 'make the world safe for democracy' and to establish peace 'upon the tested foundations of political liberty'. This cause, Wilson said, was not pursued for selfish ends: 'We desire no conquest, no domination … We are but one of the champions of the rights of mankind' (Wilson, 2005, p. 256). This statement made clear the centrality of democracy and liberal political institutions to his particular conception of liberal internationalism, otherwise known as 'Wilsonianism' or 'Wilsonian idealism'. This approach is frequently contrasted with a doctrine of isolationism which had sought to keep the US out of 'entangling alliances'. Wilson, however, argued that the League of Nations was a 'disentangling alliance' (Price, 2007, pp. 33–4).

Wilson went on to deliver to the US Congess his famous 'Fourteen Points' address, which opened with similar sentiments and then

outlined a 'program for the world's peace', the final point of which declared that 'A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike' (Wilson, 2005, p. 263). The League was established by the 1919 Treaty of Versailles and incorporated many of Wilson's Fourteen Points, including provisions for more open diplomacy, international covenants, navigating in international waters, lowering trade barriers, armaments reduction, and the readjustment of various borders in Eastern Europe and in the now defunct Ottoman Empire (Lawson, 2012, pp. 63–4).

It has been observed that many of the provisions represented an attempt to implement key aspects of a century and a half of liberal thought and an assumption that the principal states involved would be liberal democracies. This reflected 'confidence in the power of reason and public opinion and the underlying harmony of interests; and rejection of the balance of power as the guiding principle of the new international order' (Richardson, 2001, p. 64). And so the time appeared right for the progressive march of history and civilization led by the morally upright nations of the world. These were, of course, the victors in the war who had proceeded to draw up the Versailles Treaty.

From the start, plans for the future of world peace, which included the establishment of the League of Nations, were beset by numerous problems. The US Senate reverted to an isolationist stance and could not be persuaded to sign up to League membership, most of the larger member states had other agendas to pursue, and virtually all lacked commitment to the League's basic principles. The terms of the treaty were particularly harsh with respect to Germany, creating conditions, later exacerbated by the Great Depression, which provided fertile ground for Adolf Hitler's rise to power, with all its devastating consequences.

Another important idea given expression in the postwar settlement was that of self-determination. Although it had not been a key element of liberal internationalism to that time, the practical circumstances of postwar Eastern Europe in particular brought it to the fore. Richardson (2001, p. 64) says that national self-determination was, *prima facie*, a case of 'liberalism from below', since it implied that crucial decisions were to emanate from the people as a whole. But, in practical terms, some people were considered more advanced than others, and so Czechs, for example, were elevated in status over Slovaks. This reflects what Richardson identifies as 'elitist liberalism' – the 'liberalism of the powerful' – and has been linked, incidentally, to notions such as

‘soft power’, which in turn derive from claims to social or cultural superiority (ibid., pp. 64–5).

Such notions of superiority certainly underpinned the failure to apply the doctrine of self-determination to colonized peoples at that time. It would take another world war before this essentially liberal idea was extended to all. The idea of national self-determination, however, rests not merely on liberal democratic principles of consent by the governed to those who govern them. The fusion of nation with state is quite obviously the ultimate expression of nationalism – an ideology which can be anything but liberal or democratic, as illustrated by the rise of Nazism and fascism in Germany and Italy in the interwar years. Nazism, or National Socialism, in particular was based on primordial notions of ‘blood and soil’ and the Teutonic racial superiority which underpinned Hitler’s plan for world domination. Cassells (1996, p. 168) says of the latter that such plans were ‘utopian at best, lunatic at worst’.

As the 1930s unfolded it was not Hitler’s schemes that attracted the epithet ‘utopian’ but, rather, the efforts of liberals to build a peaceful world order institutionalized through an authoritative organ of global governance underpinned by international law. As we have seen earlier, twentieth-century classical realism appears to have arisen as a direct critique of

liberal ideas, and writers such as E. H. Carr gave the terms 'utopian' and 'idealist' a very negative connotation. It has been said that the realist challenge to liberalism was to make clear that 'wishing for peace does not make it occur' and that the basic laws of human nature and behaviour had been ignored by liberals of the interwar period (Vasquez, 1998, p. 43). This view, however, is something of a caricature of liberal thought.

At a more practical level, wartime leaders such as Winston Churchill and Franklin D. Roosevelt, who were as close to the realities of power politics as anyone could be, certainly embraced the idea that international institutions were essential for international peace and security. Case study 5.1 shows the extent to which liberal principles are embodied in the UN.

Human Rights, Self-Determination and Humanitarian Intervention

The mission of the UN in several other key areas reflects a clear normative orientation and commitment to human rights, decolonization, and social and economic development. The Universal Declaration of Human Rights proclaimed in 1948 sets out high moral principles to be observed by member states regarding the treatment both of their own citizens and of others. Much of the concern with

human rights at this time was generated by the atrocities committed during the war against ordinary civilians – men, women and children. These atrocities were due not so much to the absolute callousness of individuals in a time of war, although that is an all too common occurrence, but to the abuse of state power on a massive scale leading to genocide and mass murder.

Since that time, such abuses have continued, and not necessarily during times of war. The numbers of ordinary people killed in the USSR under Stalin, in China under Mao and in Cambodia under Pol Pot, whether by direct violence or starvation, dwarf the numbers killed in the death camps of Nazi Germany. One study of the phenomenon of 'democide' – the mass murder by governments of their own citizens – argues that 'power kills' and that, the more power a state has, the more likely it is to use it both against others *and* against its own people (Rummel, 1994, p. 2).

Case Study 5.1 The United Nations and Liberal Institutionalism

Well before the Second World War ended, plans were under way for a new organization to replace the League, although a number of its provisions were retained as the blueprint for the United Nations organization emerged.

The UN Charter itself reflects strong liberal principles, its preamble opening with the declaration:

> We, the people of the United Nations [are] determined
>
> - to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and
> - to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and
> - to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and
> - to promote social progress and better standards of life in larger freedom.
>
> (www.un.org/en/documents/charter/preamble.shtml)

This, and the remainder of the preamble, clearly reflects a liberal vision of the world both as it *could* be from a practical point of view and as it *should* be from a moral standpoint. The nineteen chapters of the

Charter constitute an international treaty setting out the rights and obligations of member states in terms of the purposes detailed in the preamble. It has been argued, however, that the Charter, taken as a whole, is more than just a treaty or the constitution of the UN as an organization. For all intents and purposes, it is the constitution of the international community itself (Fassbender, 2009, p. 1).

Membership of the UN is open to all states, regardless of size or status or the character of their domestic political institutions, and all have equal voting power in the General Assembly. The powers of the latter, however, are rather circumscribed, and it is the Security Council, and especially its five permanent members, consisting of Britain, France, the US, Russia and China, which wields the most significant power.

The Security Council is sometimes regarded as reflecting a distinctly realist orientation to international politics because it embodies great power privilege in the most vital areas and its decisions are binding on the membership as a whole, going far beyond the remit of its predecessor in the old League, which had proved ineffectual in dealing with great power conflict. Certainly, this privilege is regarded as 'exceptional in the landscape of

international organizations' (Krisch, 2010, p. 135). It can be argued, however, that the power awarded to the five permanent members does not compromise liberal principles but, rather, reflects the fact that liberal institutions can and do embody mechanisms attuned to the realities of power politics.

The argument is further extended to encompass the democratic peace thesis: 'Never has there been a war involving violent military action between stable democracies' and, although democracies have fought non-democracies, 'most wars are between non-democracies' (Rummel, 1994, p. 2). We return to the democratic peace thesis later, but here we should note the link posited between the domestic character of states (i.e., whether they are democratic or non-democratic) and their behaviour in both the domestic and international spheres. This is a central aspect of liberal international theory with clear links to Kant's endorsement of republics as 'prone to peace'.

Genocide and mass murder are also issues for humanitarian intervention, human security and the 'responsibility to protect' in the contemporary period. It has been argued that humanitarian intervention, which may entail an assault on state sovereignty, is morally

justifiable in certain cases, and that the justification rests on a standard assumption of liberal political philosophy – that the major purpose of states and governments is, in the final analysis, to protect their people from harm (Tesón, 2001, p. 1). This accords with the idea of the 'responsibility to protect' (R2P) formulated by the UN, an essential pillar of which is that it is the primary responsibility of states to protect their own people from the crimes of genocide, crimes against humanity, war crimes and ethnic cleansing. At the same time, it is the responsibility of the international community to assist states to fulfil their obligations in these respects, as well as to 'take timely and decisive action, in accordance with the UN Charter, in cases where the state has manifestly failed to protect its population from one or more of the four crimes' (Bellamy, 2010, p. 143).

All this is consistent with the idea of 'human security', a concept also developed within the UN. Human security is often contrasted with a notion of state security in which the sovereign rights of the state as such take precedence over those of its individual citizens. Liberals, with their emphasis on individual rights, find the latter position morally untenable. When it comes to practical action, although an act of humanitarian intervention is not without risk to innocent human lives, a legitimate case can be made if it is clear that a failure to intervene

would result in significantly greater harm. This provides the essential normative context for a legitimate act of intervention which appears to fit squarely with Kantian liberal philosophy (see Lawson, 2012, pp. 92–5).

One theorist maintains that, unless it has some specific interest, neither realist nor liberal theory offers a good explanation for why a state should intervene. Martha Finnemore argues that, from a realist perspective, states would intervene only if there was a prospect of gaining some geostrategic or political advantage. Neoliberals, on the other hand, might look to economic or trade advantages. Even liberals of a more classical or Kantian type 'might argue that these interventions have been motivated by an interest in promoting democracy and liberal values' (Finnemore, 2003, pp. 54–5). However, Kantian liberals concerned with morality would no doubt object to the discounting of liberal theory as being driven by *interests* rather than by a moral imperative. In any event, Finnemore (ibid.) argues that an explanation of the normative context for action is to be found in a constructivist approach rather than a liberal one. We discuss constructivism in chapter 7.

Another set of issues concerning human rights which has featured in international debates since the UN Charter was first drawn up arises from two different categories of rights: civil and political rights, on the one hand, and economic,

social and cultural rights, on the other. The former are sometimes seen as possessing a typically Western liberal character unsuited to the cultural context of non-Western countries, where the emphasis is not on the individual as a bearer of rights but on groups or collectives. This is often accompanied by arguments that the very idea of what it is to be 'human' may vary from one cultural context to the next.

The latter view is sustained by a doctrine of cultural relativism allied to a doctrine of ethical relativism, both of which have worked to undermine the liberal conception of universalism essential to human rights and in which 'the human' stands as a singular essential concept, not one that varies according to context (see Lawson, 2006, p. 49). These contrasting positions are often labelled *cosmopolitan* (reflecting the universalism of liberal human rights approaches) as opposed to *communitarian* (reflecting the notion that moral standards arise only within specific cultural communities and cannot necessarily be applied outside of those communities).

The most vocal proponents of the communitarian view have come from a number of Middle Eastern and African countries and parts of East Asia, especially China. It is no coincidence that the countries most dismissive of the liberal or cosmopolitan view of human rights are also authoritarian in their domestic

politics. Some of these countries have also deployed the argument that economic, social and cultural rights are more important for poorer, underdeveloped countries than the right to vote. This stance is more likely to be articulated by those with left-wing authoritarian regimes. In contrast, right-wing authoritarianism is more likely to deploy the idea that the wealth of privileged classes will 'trickle down' to those below. The logic of this position, which accords with economic neoliberalism, is that, the wealthier the elite become, the more there will be to trickle down. This scenario, however, remains one in which the gap between rich and poor remains significant, while in the left-wing scenario it is supposed to close. It is interesting to note that, since China has shifted from left-wing authoritarianism to a version of capitalist authoritarianism, albeit under a party which still calls itself 'communist', the gap between rich (mainly urban) and poor (mainly rural) has indeed grown much wider (see Chu, 2013). We discuss the cosmopolitan/communitarian divide further in chapter 9.

An early division of opinion within the UN on the two different clusters of rights led to the development of separate covenants for each, and so in 1976 the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) entered into

force. The US has not ratified the latter, while China's position is the reverse, having ratified the ICESCR but not the ICCPR. Just to make the point that 'the West' is not a unified entity on all such matters, and that what the US does or does not do is not necessarily representative of this entity, the UK, Australia and Germany, among a number of other Western nations, have either ratified or acceded to both covenants. However problematic the politics involved, the covenants represent a significant attempt to advance the codification of human rights and to establish an international legal framework to support them.

Decolonization and problems of social and economic development in what was commonly called the 'Third World' – the latter consisting mainly of former colonies and characterized by relatively low standards of economic development – but is now usually referred to as the 'Global South' raised further issues for liberal international theory in the postwar period. Decolonization meant, first and foremost, the liberation of subject peoples from colonial rule. The form that liberation was to take in terms of 'self-determination', however, was to set up new states largely on the basis of pre-existing colonial boundaries. These often did not accord with the way in which 'peoples' were actually distributed across territories. The extent of self-determination which the UN endorsed extended only to liberating people

within those boundaries, and minority groups which found themselves once again subjugated to another dominant group seemed to have no further right to self-determination (see Emerson, 1971).

For the former groups, secession proved extraordinarily difficult in the Cold War period, Bangladesh being the only country to break away successfully (from Pakistan) and achieve separate sovereign statehood. Since the end of the Cold War the incidence of secession has become much more common, thereby establishing a more robust practical manifestation of the right to self-determination and which therefore appears to fulfil certain liberal principles. However, as Griffiths and O' Callaghan (2002, p. 83) observe, 'which groups get to enjoy self-determination and which do not remains in large part a function of violence and the visibility of particular political struggles.'

Neoliberalism in the Postwar Period

Even while liberal principles seemed to dominate the world of institution-building in the postwar period, realist approaches nonetheless gained a strong intellectual following. As we have seen, Morgenthau's classical realism was highly influential in the immediate postwar period, followed by the

more streamlined but equally influential school of structural realism initiated by Waltz. A principal target of both classical and structural realism was liberal thought and its alleged utopianism. But, just as institution-building made a significant comeback in the 'real world' of international politics in the form of the UN and other international institutions, liberal theory also made a comeback in the world of ideas.

One important liberal argument which began developing from the late 1960s was that the structure of the international system, far from becoming solidified in the state-centric form depicted by realism, was actually becoming much more flexible, especially with the increasing permeability of state boundaries, which made any rigid distinction between the domestic and international spheres unsustainable. These ideas focused on the phenomena of transnationalism, multilateralism and the interdependence of states as well as the variety of actors – both state and non-state – that play a role in the international system. Because of this broad focus on a plurality of actors and complex interactions, this new approach was sometimes called 'pluralism' (Little, 1996, p. 66).

Two liberal theorists writing in the early 1970s, Robert Keohane and Joseph Nye, while agreeing with realists that survival is the

primary goal of states and that in the most adverse circumstances force is required to guarantee survival, argued that states pursue many other goals for which alternative tools of power and influence are far more appropriate, and many of these are to be found largely in the sphere of economics. Furthermore, shifts in the balance between military and economic power are generally accompanied by the increasing complexity and diversity of actors, issues and interactions. These developments, in turn, are accompanied by a broadening agenda for foreign policy resulting from an increased sensitivity to the domestic concerns of other states and increasing linkages between various issues (Keohane and Nye, 1973, p. 162). The clear message of this form of neoliberalism is that international theory in the postwar world cannot be simplified to the extent envisaged by structural realism. Thus, whereas parsimony in theory is a virtue for structural realists, for liberals it is a handicap.

Two significant works by liberal theorists followed in the early 1980s – Stephen Krasner's edited collection on *International Regimes* (1983) and Robert Keohane's *After Hegemony: Cooperation and Discord in the World Political Economy* (1984). Krasner's preface reviews the development of liberal international theory from the early 1970s, which, he says, began with 'a concerted attack on state-centric realist approaches' and the introduction of

perspectives 'suggesting the importance of transnational and transgovernmental actors in the international system'. This emphasized the point that the world was to be understood as increasingly complex and *interdependent* – a concept which challenges the realist 'billiard board' model of states in the international system. Further, while the formal trappings of sovereignty remained, 'states could no longer effectively exercise their power because they could no longer control international economic movements, at least not at acceptable costs' (Krasner, 1983, p. vii). This has become a central theme in certain analyses of globalization which emphasize the decline of the state as the major actor in world politics.

Krasner's work also highlights the extent to which international regimes have come to play a key role in structuring interactions in the international sphere. Defining regimes as 'sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actor's expectations converge in a given area of international relations' (1983, p. 3), Krasner shows that these operate in a variety of spheres, including security, trade and finance, and, through the introduction and institutionalization of principles, norms and rules in these areas, operate to modify greatly the dynamics of anarchy and power politics.

Keohane's work further elaborates the theme of institutionalization and is directed explicitly against the realist assumption that world politics is akin to a state of war. If this is so, argues Keohane, then institutionalized cooperation based on shared purposes would not exist except as part of a larger struggle for power, and the diverse patterns of international agreement on issues such as trade, finance, health and telecommunications and other such matters simply would not exist. The fact that these do exist highlights the functions performed by international institutions (Keohane, 1984, p. 7). But he also sounds a warning concerning 'excessively optimistic assumptions about the role of ideals in world politics'. The more sophisticated institutionalists, he says, do not expect that cooperation will always prevail, but interdependence nonetheless 'creates interests in cooperation' (ibid., p. 8). Even with hegemonic decline, the patterns of cooperation already established were likely to persist, as long as states perceived their interests to be invested in them (ibid.). Krasner's work clearly emphasizes interests rather than values and so differentiates a utilitarian form of liberalism from a moral one. This also accords with the distinctively positivist style of much neoliberal theorizing, which has characterized the research programs of scholars in the US, in particular, in much the same way as it has influenced realist approaches.

Liberal Political Economy from Keynesianism to Neoliberalism

Some of the key economic institutions that evolved in the postwar period were influenced by ideas of liberal political economy developed in the earlier part of the century. As noted above, Keynes had founded a highly influential school of liberal economics which saw the emergence of new macroeconomic approaches. While promoting free trade and other liberal goods, these approaches also emphasized the important role of strategic government action, especially with respect to stimulating the economy through public spending during times of recession. His *General Theory of Employment, Interest and Money*, first published in 1936, provided a 'classic vindication of a mixed economy', in which the state assumes responsibility for investment and consumption while production is left to private enterprise (Eccleshall, 2003, p. 38). Keynes thus shifted away from the laissez-faire approach advocated by classical economics to a system of managed, regulated capitalism. Keynesian ideas, which represent a form of *social* economic liberalism, continued to be highly influential in the UK until at least the 1970s, as did the liberalism of President Franklin D. Roosevelt (1882–1945) in the US. His 'New Deal' measures, instituted in the wake of the Great Depression, saw government take

on more social responsibilities as well as playing a greater role in regulation.

Roosevelt and Keynes were both influential in the building of the postwar international economic order which included such institutions as the International Monetary Fund (IMF), what is now known as the World Bank, and a precursor to the World Trade Organization (WTO), the General Agreement on Tariffs and Trade (the GATT). These had been planned at a meeting of allied nations at Bretton Woods in New Hampshire in 1944. Although participation was officially broad-based, US imperatives dominated, and the system that emerged reflected this (Lawson, 2012, p. 68). In general terms, the basic institutional framework produced in the early postwar period reflected the need for capitalist states to grapple with issues of both domestic and international stability, resulting in what John Ruggie terms the compromise of 'embedded liberalism' (Ruggie, 1982, p. 392–3). This offered an institutional framework through which capitalist countries could attempt to reconcile 'the efficiency of markets with the broader values of social community' (Ruggie, 2008, p. 2).

By the 1970s, however, there was a growing backlash against government regulation and intervention, triggered by events such as the disaster of the Vietnam War, the oil crisis, and

the descent of industrial relations in the UK into a veritable quagmire (Jones, 2012, p. 1). The period which followed saw the rise of a conservative form of liberalism which flourished under Margaret Thatcher (UK prime minister from 1979 to 1990) and Ronald Reagan (US president from 1981 to 1989), in particular. This brand of economic 'neoliberalism' promoted the subordination of the social to the economic, with a minimalist role for governments in either sphere. The basic ideas behind this had been formulated by Friedrich von Hayek (1899–1992), who condemned almost any form of intervention as 'socialist'. Instead, Hayek promoted the idea of 'spontaneous order' as emerging *naturally* from unfettered social and economic forces, thereby producing the best possible equilibrium (Lawson, 2012, p. 128). He further condemned all attempts at central planning as futile: it was simply impossible for people to acquire sufficient knowledge to construct a coherent order and make rational decisions on behalf of everyone (Jones, 2012, p. 60). This actually reflects a very conservative view of human capabilities as limited when it comes to larger-scale planning. Following Hayek, the best-known figure in the post-1960s neoliberal thought was Milton Friedman (1912–2006), a powerful public intellectual in the US who also propounded ideas about winding back government to let economic forces find their 'natural' way (ibid., p. 201).

In accord with this style of thinking, Thatcher and Reagan both implemented programmes of privatization and deregulation aimed at reducing the power and role of government, not just in their own countries but worldwide. Under these influences, economists and policy-makers in the IMF, the World Bank and the WTO, as well as the EU, came to reflect the ascendancy of neoliberal ideology. The 1980s and 1990s are now notorious for 'structural adjustment' policies which included regimes of tax reform, liberalization, privatization, deregulation and property rights imposed on developing countries and summarized in the term 'Washington consensus' (Jones, 2012, p. 8). These two decades of 'reform', however, produced deepening inequalities between much of the developed and the developing world.

But the problems of neoliberalism cut deeper than this, and the developed world proved no less vulnerable in the longer run, as witnessed by the 2008 global financial crisis, which demonstrated only too clearly that unregulated markets are not self-correcting after all. George Soros, a prominent Hungarian-American businessman (albeit one with strong philanthropic credentials and liberal-left views on certain issues), is worth quoting at some length on this topic. Especially noteworthy are his observations on the attempted modelling of economic theory on the natural sciences.

Key Quote: George Soros and the Myth of the Self-Regulating Market

Economic theory has modeled itself on theoretical physics. It has sought to establish timelessly valid laws that govern economic behavior and can be used reversibly both to explain and to predict events. But instead of finding laws capable of being falsified through testing, economics has increasingly turned itself into an axiomatic discipline consisting of assumptions and mathematical deductions … Rational expectations theory and the efficient market hypothesis are products of this approach. Unfortunately they proved to be unsound. To be useful, the axioms must resemble reality… . rational expectations theory was pretty conclusively falsified by the crash of 2008 which caught most participants and most regulators unawares. The crash of 2008 also falsified the Efficient Market Hypothesis because it was generated by internal developments within the financial markets, not by external shocks, as the hypothesis postulates.

The failure of these theories brings the entire edifice of economic theory into question. Can economic phenomena be predicted by universally valid laws? I contend that they can't be, because the phenomena studied

> have a fundamentally different structure from natural phenomena. The difference lies in the role of thinking. Economic phenomena have thinking participants, natural phenomena don't. The thinking of the participants introduces an element of uncertainty that is absent in natural phenomena. The uncertainty arises because the participants' thinking does not accurately represent reality … (Soros, 2010)

More than half a decade on, however, there is no sign that economic neoliberalism is on the back foot. This has led one author to ask why, given the obvious failures of neoliberalism that precipitated the crisis of 2008 and its ongoing effects, neoliberalism seems to have emerged stronger than ever (Crouch, 2011, pp. vii–viii). Part of the answer lies in the fact that governments have colluded in supporting the corporate world, as evidenced by massive bailouts of financial institutions followed by 'austerity measures'. This further suggests that neoliberalism is devoted not nearly as much to free markets as the rhetoric suggests but, rather, 'to the dominance of public life by the giant corporation'. The latter has been accommodated, rather than resisted, by governments, which also appear to accept the idea that these institutions are simply 'too big to fail' (ibid., pp. viii–ix).

One reason for the apparent lack of alternatives to contemporary global capitalism, despite all its problems, may be attributed to the notion that, with the collapse of capitalism's major contestant, communism, there was simply no serious competitor left. This was the message proclaimed by one liberal commentator on world politics as the Cold War was drawing to a close and the Soviet Union was on the brink of collapse.

'The End of History', the Democratic Peace and Soft Power

The end of the Cold War, the failure of Soviet communism and the collapse of the bipolar world seemed to open the way for the fulfilment of the liberal ideal of world order. And the idea that history had run its course as far as the battle of ideologies was concerned emerged as a dominant theme. This view was put forward most famously by Francis Fukuyama, even before communism was quite dead. In the summer of 1989, just before the fall of the Berlin Wall, Fukuyama published an essay entitled 'The End of History' in which he declared that historical progress, understood in terms of the quest for human freedom, had reached its final destination with the triumph of liberal democracy and capitalism over the illusory promises of communism, which now joined hereditary monarchy, fascism, and other

autocratic forms of government that had been tried and found severely wanting.

Key Quote: Francis Fukuyama and the Triumph of the West

The triumph of the West … is evident first of all in the total exclusion of viable systematic alternatives to Western liberalism… . What we may be witnessing is not just the end of the Cold War, or the passing of a particular period in postwar history, but the end of history as such: that is, the end point of [humanity's] ideological development. (Fukuyama, 1989, p. 3)

Fukuyama acknowledged that modern democracies and capitalist economic systems were far from perfect, with problems of crime and social injustice still unresolved. Nonetheless, he argued that such ongoing problems simply reflected the incomplete realization of modern democracy's basic principles of liberty and equality rather than any real defects in the principles themselves. So, while other forms of government had fatal flaws that led to their eventual demise, liberal democracy was evidently free of serious internal contradictions. Fukuyama recognized, however, that neither violent nationalisms nor religious fundamental-isms had withered away with the end of the Cold War but were likely to remain a

leading cause of conflict for some time to come in places that were still stuck firmly in history.

Fukuyama sought to locate his arguments within a framework provided by the German philosopher G. W. F. Hegel. Despite the fact that Hegel occupies an ambiguous position in liberalism (see Bellamy, 1987), his notions of history as progress leading to the emergence of rational political communities were congenial to liberal thought and well suited to Fukuyama's purpose. But, as Brown (1991, p. 86) points out, Fukuyama's weakest point lies in the assumption that there are 'grand stories actually written into the fabric of history', an assumption which can scarcely be taken for granted.

One 'grand story' with which Fukuyama's essay resonated was the American narrative of 'manifest destiny', with its inherent notion of cultural superiority. With its origins deep in the history of America's early settlement, and carried forward through such notions as Woodrow Wilson's mission to make the world safe for democracy, America's manifest destiny appeared to be fulfilled with the triumph in the great struggle against the 'evil empire' of the Soviet Union (see Stephanson, 2005). It also fed into the idea that the US was poised to assume global leadership for the foreseeable future, as reflected in the establishment of the conservative Project for the New American

Century, founded in the Clinton era, which aimed, among other things, to promote 'America's unique role in preserving and extending an international order friendly to our security, our prosperity, and our principles' (Project for the New American Century, 1997). Among the signatories to the Statement of Principles were Jeb Bush, Dick Cheney, Donald Rumsfeld, Paul Wolfowitz – all closely associated with George W. Bush – and Francis Fukuyama himself. But, while the Project's mission may pass for some as a liberal vision of world order, it is more closely related to the brand of neoconservatism discussed in chapter 3.

The apparent triumph of liberal democracy as a form of government, however, did inspire more mainstream liberal thinking on the democratic peace thesis. As we have seen, the early foundations for this had been laid by Kant and propounded by Woodrow Wilson in the context of America's participation in the First World War. Just before the end of the Cold War, the liberal theorist Michael Doyle reopened the intellectual debate, inspired partly by some of Ronald Reagan's claims in the context of the Cold War but owing much to Kant's vision of liberal republicanism, which held that relations of peace tended to prevail among liberal democratic states. This finding not only 'offers the promise of a continuing peace among liberal states' but, as the number of liberal states

increases, 'announces the possibility of global peace' (Doyle, 1986, p. 1156). Doyle argues further that 'Kantian republics' are capable of maintaining peace among themselves not just because they are cautious, but because they are also 'capable of appreciating the international rights of foreign republics ... who are our moral equals' (ibid., p. 1162). The relations with non-republics, however, are quite different, as shown in case study 5.2.

Russett proposes that a better alternative to forced regime change is 'democracy by example and peaceful incentives' (2005, p. 406). This accords with Joseph Nye's well-known formulation of 'soft power', which holds that proof of power lies not in the possession of material resources as such but in the ability to shape the behaviour of other states. In a complex, interdependent world in which a multiplicity of actors and forces operate and interact, the clear message is that the realist view of power is simply too limited (Nye, 1990). The message, addressed largely to an American audience, was that image mattered at least as much as material power.

Case Study 5.2 Democratic Peace, Democratic War and US Interventionism

The proposition that democracies are *no less* prone to going to war against non-democracies appears to have been borne out in the post-Cold War period. Defining exactly what 'going to war' means is not always straightforward, but for present purposes it is taken to mean armed interventions, examples of which include US or US-led interventions in Somalia, the Balkans, both Gulf wars (against Iraq) and Afghanistan. These join a long list of other interventions and incursions by the US in its post-Second World War history, illustrating the extent to which the world's most powerful democracy sees its international role in terms of armed activism.

The most controversial action in the early post-Cold War period was the war launched against Iraq in March 2003 by a US-led 'coalition of the willing', consisting of some thirty countries. These included the UK, led at the time by a rather bellicose Tony Blair. Australia, under a conservative government, also participated. Notable for their absence from the coalition were NATO alliance members Canada, Belgium, Norway, France

and Germany (BBC, 2003a). It is also in relation to this particular war that the democratic peace thesis was invoked most clearly as a justification, although this came after the invasion.

Initially, the justification focused almost exclusively on the claim that Iraq possessed weapons of mass destruction and posed an imminent threat to the national security of the US, the UK and allies in the region. This appeared to be a largely 'realist' argument but, as we saw earlier, leading realists in the US were strongly opposed to US intervention, arguing instead for containment. The UN Security Council did not buy the argument either, and so the invasion of Iraq remains highly suspect in terms of international law.

After it was confirmed that Iraq did not possess weapons of mass destruction after all, justification for the invasion turned to other possible sources, and the democratic peace thesis provided a suitable theme – much to the discomfort of theorists who supported it. One author, noting George W. Bush's inclination to use democratic peace as an *ex post* justification of the invasion of Iraq, said that Bush's 'model of "fight them, beat them, and make them democratic" is irrevocably flawed as a basis for contemporary action', while, on a practical

level, the conditions in Iraq were scarcely promising, 'even if the occupation had been more competent in its execution' (Russett, 2005, pp. 395–6).

Another defender of the democratic peace theory, writing well before the war in Iraq but with an eye to previous ill-judged interventions, acknowledges the problem of 'liberal imprudence' in attempting to impose democracy by force:

> Liberal republics see themselves as threatened by aggression from nonrepublics that are not constrained by representation. Even though wars often cost more than the economic return they generate, liberal republics also are prepared to protect and promote – sometimes forcibly – democracy, private property, and the rights of individuals overseas against nonrepublics, which, because they do not authentically represent the rights of individuals, have no rights to noninterference. These wars may liberate oppressed individuals overseas; they also can generate enormous suffering. Preserving the legacy of the liberal peace without succumbing to the legacy of liberal imprudence is both a moral and strategic challenge. (Doyle, 1986, pp. 1162–3)

Nye later defined soft power as the ability to attract and persuade in order to achieve one's purposes, as distinct from employing coercion or manipulative economic tactics. He warned, however, that arrogance can turn attraction to repulsion, the consequences of which are very significant for US influence and security. This message seemed all the more important in the wake of 9/11 and the wars in Afghanistan and Iraq (Nye, 2004, p. x). A major concern at this stage was the extent to which anti-Americanism was on the rise, with international opinion polls showing that US foreign policy had had a decisively negative effect on popular attitudes (ibid., p. 127). While America's military and economic power remained superior to all others, certainly its soft power had declined sharply.

The idea of 'soft power' is now widely recognized as a key element in public diplomacy. It has more recently been supplemented by notions of 'smart power', developed in the post-Iraq War period when it appeared that the Bush administration's national and security policy was *not* smart. Rather, by provoking unprecedented resentment around the world, it had in fact compromised the diplomatic and security interests of the US. This was contrasted with the quality of leadership in a number of other countries, including China, where much more sophisticated instruments of power had proved

effective in various issue areas (Wilson, 2008, p. 111). Even so, smart power involves an intelligent combination of soft *and* hard power to advance an actor's strategic purposes (ibid., p. 115). This represents not a repudiation of realist premises but, rather, a combination of realist and liberal perspectives in what its proponents see as a more efficacious way forward for US foreign policy in the contemporary period.

Conclusion

From the early twentieth century to the present day, liberal international theory has attempted to make sense of, and offer prescriptions for, a wide-ranging set of issues in world politics. From an initial concern with the causes of major warfare and the conditions for peaceful interstate relations, the agenda for this body of theory has expanded to include issues of human rights, humanitarian intervention and the responsibility to protect, together with a reconceptualization of sovereignty and security as ultimately concerned with individual people and their basic rights. At the centre of these considerations is the importance of effective international institutions in providing for structured interaction within a framework of international law. These institutions are essential for managing what liberals acknowledge to be an anarchic international sphere, but which need not lapse into an

unbridled war of each against all – provided that there is sufficient commitment to those institutions. In formulating these arguments, liberals reject balance of power mechanisms along with realist assumptions that norms and values play little or no part in maintaining international order.

Classic liberal ideas, derived from Kant in particular, provided the basis for theory and practice in the building of international institutions, for underpinning the democratic peace thesis, and for promoting the notion that vigorous trading relations among countries inhibit the tendency to deploy violence as a foreign policy tool. These three key constraints on war, often described as the Kantian 'tripod for peace', are seen by liberals as diminishing the force of realist arguments concerning the sphere of anarchy and the free play it gives to aggressive power politics (see Russett, Oneal and Davis, 1998, 441–67). At the same time, key liberal thinkers have reformulated ideas about power in the international sphere, offering perspectives on the efficacy of 'soft power'.

Liberal theory is also deeply implicated in issues of political economy, some of which have been touched on in this chapter. It is in this field that we can observe some very divergent views, from those of social liberals such as John Maynard Keynes in the earlier part of the twentieth century to the neoliberal ascendancy

of more recent times, which, despite the global financial crisis of 2008 and its ongoing effects, shows little sign of being displaced. What this highlights, among other things, is the great variety of ideas and positions within liberal thought which, like those of all the schools of theory discussed in this book, are difficult to pin down to a single set of principles free of tensions and contradictions.

The discussion has also highlighted the fact that ideas about expanding the 'zone of peace' and concepts of humanitarian intervention can also be used to justify aggressive military intervention. This point resonates with the observation of E. H. Carr that moralism often serves as a rationalization and a cloak for purely self-interested actions. Liberal supporters of the democratic peace thesis would agree. It is not difficult to see that ethical behaviour in international affairs is a very different thing from a cynical and instrumental moralism, which is why particular care needs to be taken in analysing claims made under the rubric of morality.

QUESTIONS FOR REVISION

1. How accurate is the realist claim that liberals are simply utopian in investing their hopes in international institutions?

2. In what sense did Woodrow Wilson's approach to internationalism challenge US isolationism?
3. How does the doctrine of self-determination reflect liberal views?
4. Does the structure and power of the UN Security Council reflect realist rather than liberal assumptions?
5. What is entailed in the democratic peace thesis?
6. What did Fukuyama mean by 'the end of history'?
7. What are the basic characteristics of cosmopolitan thought?
8. What is meant by the term 'soft power'?

FURTHER READING

Friedman, Rebekka, Kevork Oskanian and Ramon Pacheco Pardo (eds) (2013) *After Liberalism? The Future of Liberalism in International Relations*. Basingstoke: Palgrave Macmillan.

Gismondi, Mark D. (2007) *Ethics, Liberalism and Realism in International Relations*. Abingdon: Routledge.

Grayson, Richard S. (2001) *Liberals, International Relations and Appeasement: The Liberal Party, 1919–1939*. Abingdon: Routledge.

Parmar, Inderjeet, and Michael Cox (eds) (2010) *Soft Power and US Foreign Policy: Theoretical, Historical and Contemporary Perspectives*. Abingdon: Routledge. Russett, Bruce (1993) *Grasping the Democratic Peace: Principles for a Post-Cold War World*. Princeton, NJ: Princeton University Press.

USEFUL WEBSITES

www.e-ir.info/2010/06/09/how-convincing-is-e-h-carr's-critique-of-utopianism/ (E-International Relations website on Carr's critique of utopianism)

http://hawaii.edu/powerkills/DP.IS_WHAT.HTM (R. J. Rummell's website on democratic peace)

https://www.opendemocracy.net/democracy-fukuyama/revisited_3496.jsp (Open Democracy website, with reflections by Francis Fukuyama, 'After the End of History')

www.hrw.org/home (Human Rights Watch website)

www.youtube.com/watch?v=s7IwHLmE7gg (short lecture by Mark Harvey on varieties of liberalism)