

# International Liberalism and Its Discontents

#LSELiberalism

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*Hosted by the Department of International Relations*

# International Liberalism and Its Discontents

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# Three Challenges to Liberalism

- The internecine fight over the market: the neoliberalism debate
- From realists: liberalism as inattentive to power shifts yet simultaneously over-reaching
- The anti-Enlightenment tradition: the priority of community, nation and sovereignty

# An Outline

- Define international liberalism
- The liberal triad as a tool of risk assessment
- The additional risks of illiberal foreign policies in the core
- Toward a new liberal foreign policy

# International Liberalism Defined

- “Liberalism...is identified by a series of political causes espoused by liberals over the centuries, by a variety of claims about the working of society and the economy, and by a cluster of ideas concerning the fundamental principles of political morality.”
  - Joseph Raz, *The Morality of Freedom*, p. 1

# Liberalism

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# International Liberalism Defined

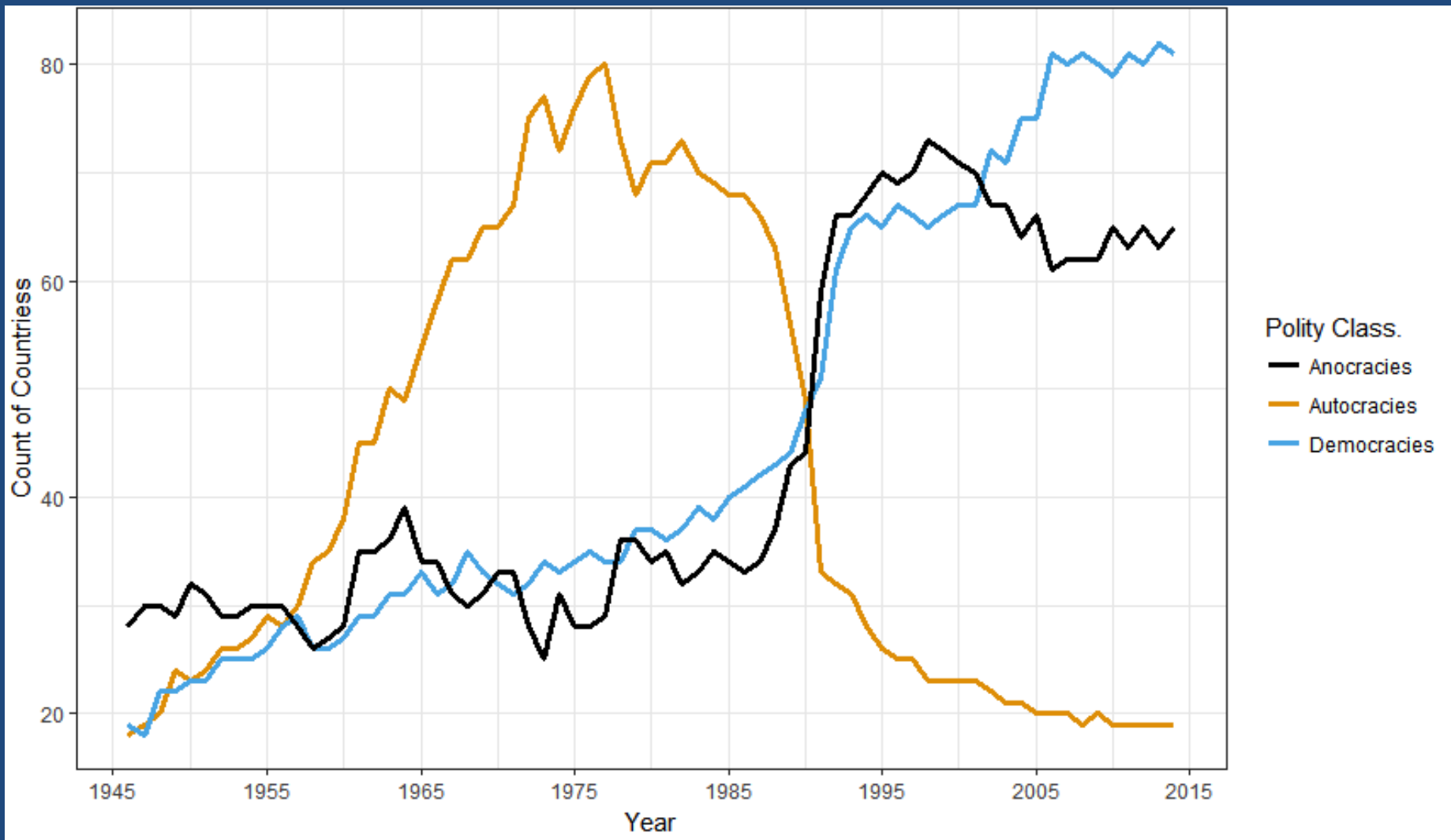
- The triad and their canonical origins
  - The democratic peace (Kant to Doyle)
  - The commercial peace (Cobden and Bright, through Angell and Schumpeter to Cordell Hull)
  - Liberal institutionalism (from Wilson to Ikenberry)
- A foundation for “liberal risk assessment.”

# The Democratic Peace

- Democracies and war...
- ...but also the myriad extensions of this insight
- On conflict
  - Peaceful settlement of disputes
  - Democracies avoid *civil* war
  - Democracies more credible, more capable of showing resolve and making commitments and thus cooperating
- The “dyad problem”



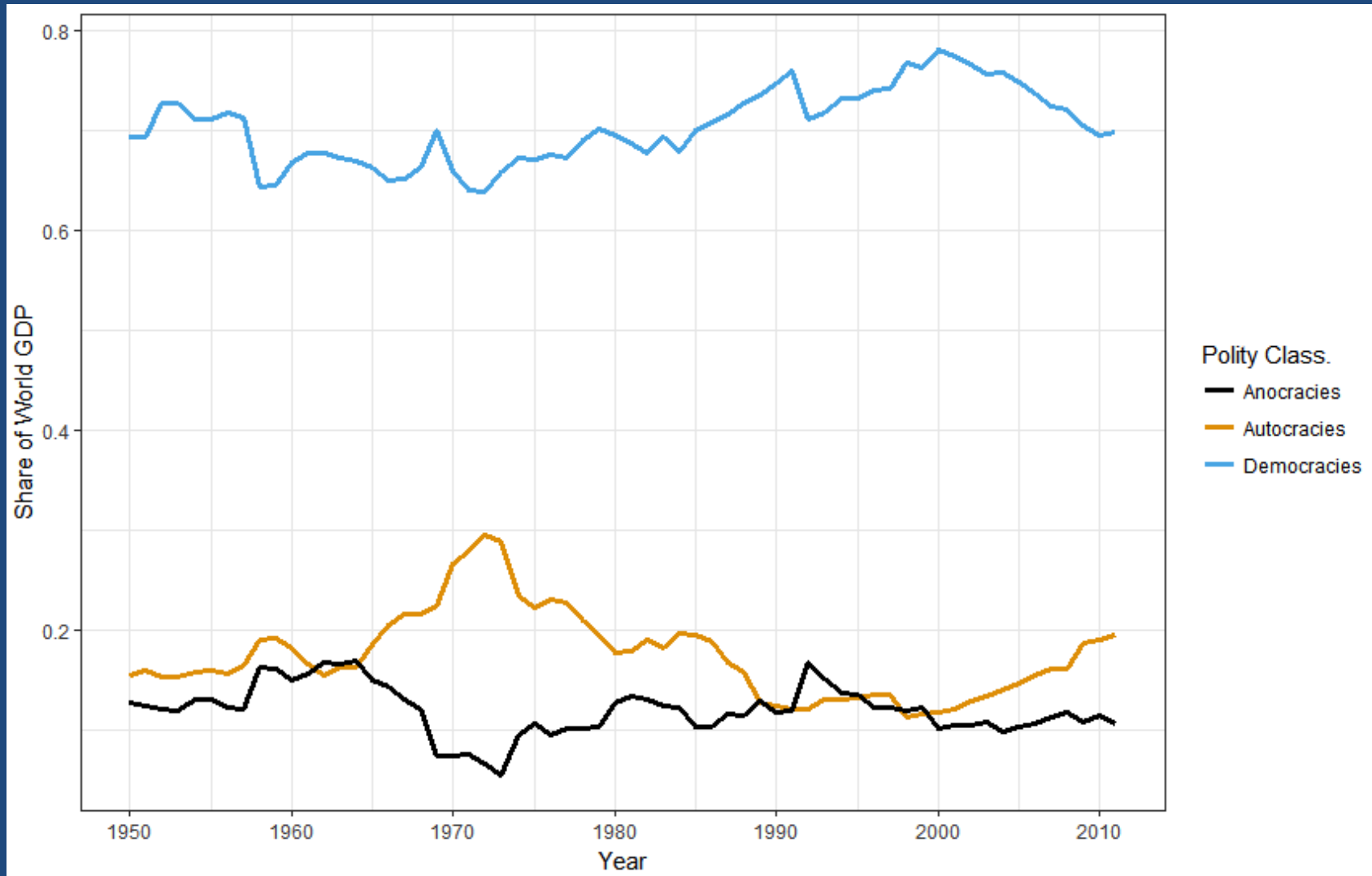
# Democracy in the World, 1945-2015: The Third Wave



# Sources of Pessimism

- The slowing: a democratic recession?
- The stability of competitive authoritarian rule
- Democratic churning and backsliding
  - Since 1974, roughly 1/3 of new democracies have broken down altogether...
  - ...not to mention damage done by altogether failed states, one of the most obvious challenges to realism
- Democracy in the world, weighted

# Share of World GDP by Regime Type 1950-2011 (PPP)



# Authoritarian Offense

- Authoritarian regimes not only playing defense but offense
  - The “big five”: China, Russia, Iran, Saudi Arabia (and the Gulf); Venezuela
- Authoritarian counter-norms
- NGOs laws, terrorist listings, “zombie NGOs”
- Soft power: the press wars
- “Autocracy promotion” and election interference

# Does Democracy Matter?

- The dyad problem redux: **if more—and more powerful—autocracies, more conflict**
- Two liberal counterfactuals
- NATO expansion
  - A military threat to *Russia* or a political threat to *Putin*?
- China's rise
  - Campbell and Ratner rethink: but did liberals get it wrong?
  - The shock of the 19<sup>th</sup> Party Congress

# A Digression on Liberal Interventionism

- But is conflict generated by liberal interventionism itself?
  - Mearsheimer's *definition* of liberal hegemony
- Blair 1999 speech in Chicago on Kosovo
- Realist objections
  - Clinton-Lake justification for NATO expansion
  - The post-Cold War "liberal" interventions: Iraq I and II, Somalia, Haiti, Kosovo, Afghanistan, Libya and Syria

# Blair in Chicago (1999)

- “This is a just war, based not on any territorial ambitions but on values. We cannot let the evil of ethnic cleansing stand. We must not rest until it is reversed. We have learned twice before in this century that appeasement does not work. If we let an evil dictator range unchallenged, we will have to spill infinitely more blood and treasure to stop him later.”

# Liberal Interventionism

- Misreading Wilson: skepticism about *spreading* democracy abroad (Tony Smith)
- The modesty of the Responsibility to Protect (R2P) and humanitarian intervention norms
  - Global consensus—and rapidly faltering after Libya—only on crimes against humanity
  - No liberal consensus on post-Cold War interventions



# Liberal Interventionism: The Record

- The significant *empirical* tradition on this question
  - US by reflections on Vietnam (post 1975)
  - Skepticism on democracy promotion (from early 2000s)
  - Rethinking the humanitarian interventions
- Democracy has determinants
- Interventions with ambitious goals and inadequate resources don't work and are even counterproductive
- Conditions for success are bounded

# The Commercial Peace

- Similar set of empirical claims: economic interdependence reduces conflict
  - From trade to foreign investment, global production networks and membership in FTAs
- The growth and *global* equity record as well
  - Inequality between countries: rising through 2000 before starting to fall
  - Inequality between countries *weighted* by population: falling from 1990

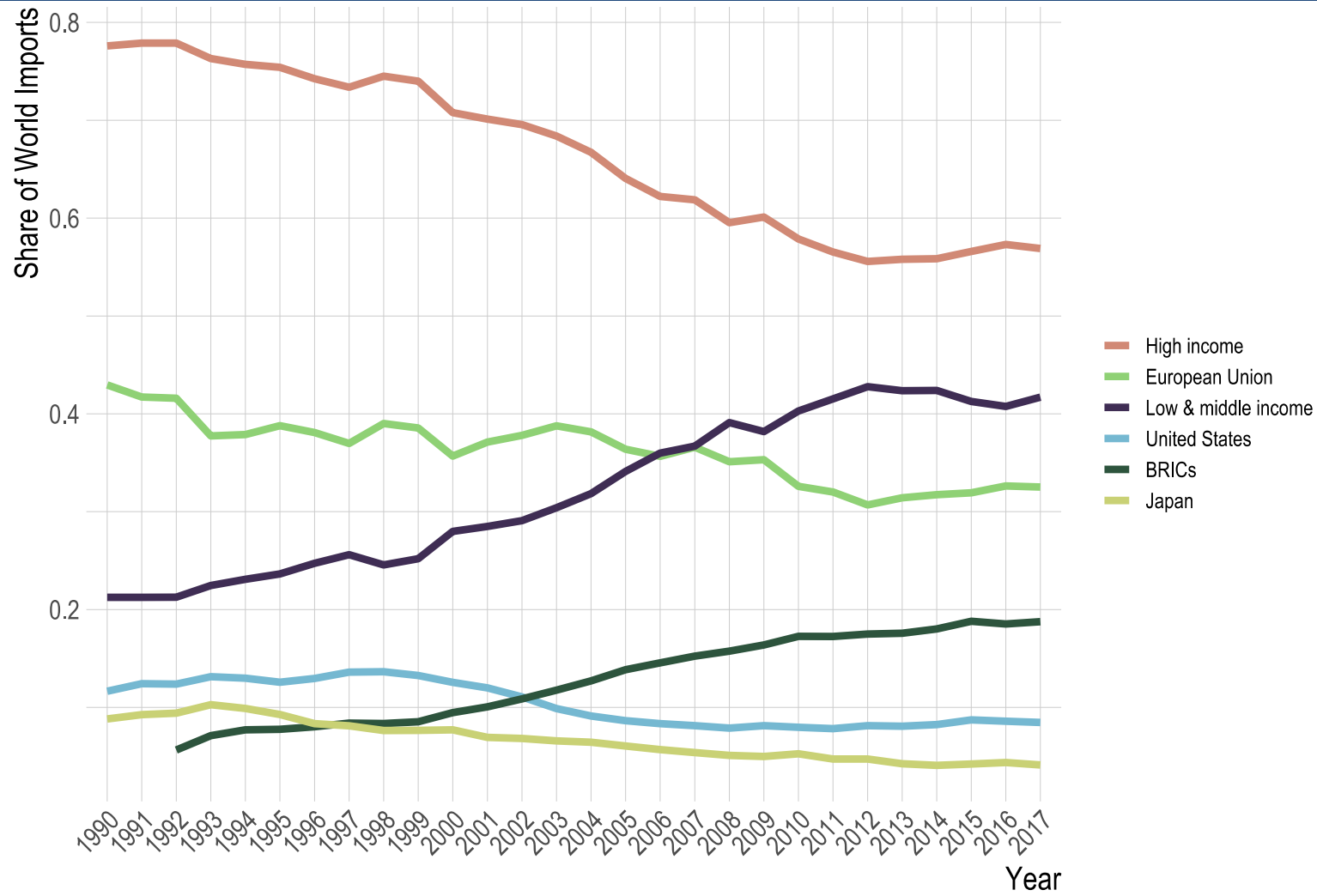
# The Commercial Peace II: The Empirical Record

- The North Atlantic and EU stories are well-known...
- ...but also a major US bet in Asia
  - Reorienting Japanese trade
  - Aid to the developing-country alliance partners
  - The advent of export-oriented
  - And—most consequentially--the 1995 bet on China's WTO entry
- The developing country record: more mixed

# Interdependence and Leverage

- The commercial peace assumes movement toward *open political economies* and *mutual hostages*
- But what if:
  - Countries are ruled by economically as well as politically *illiberal* coalitions...the risks of systems conflict
  - ...and sources of demand are increasingly emanating from them and manipulated

# Changing Sources of Demand: Shares of World Imports, 1990-2017

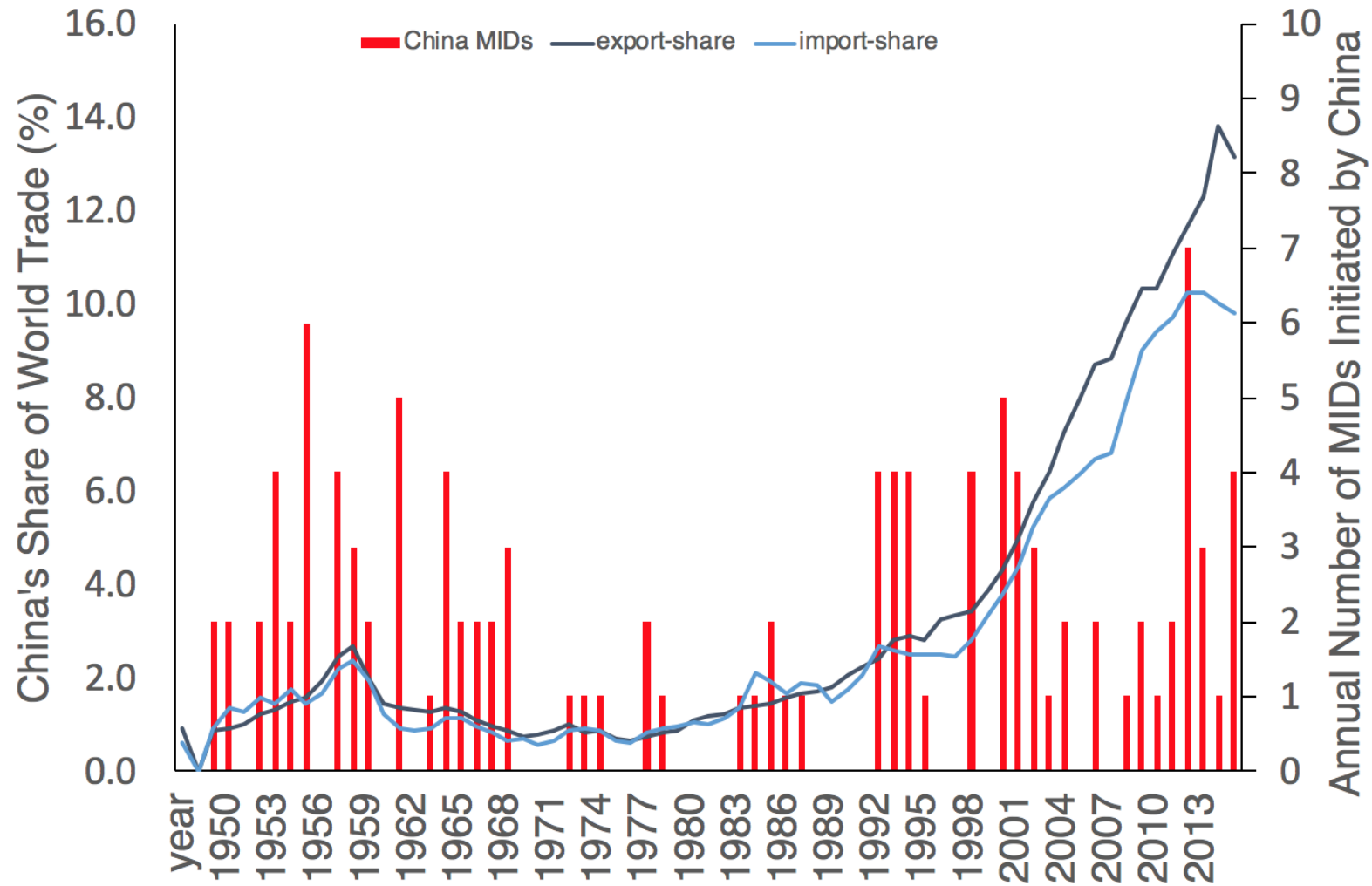


Source: IMF, Direction of Trade Statistics (DOTS), 2018

# The China Bet

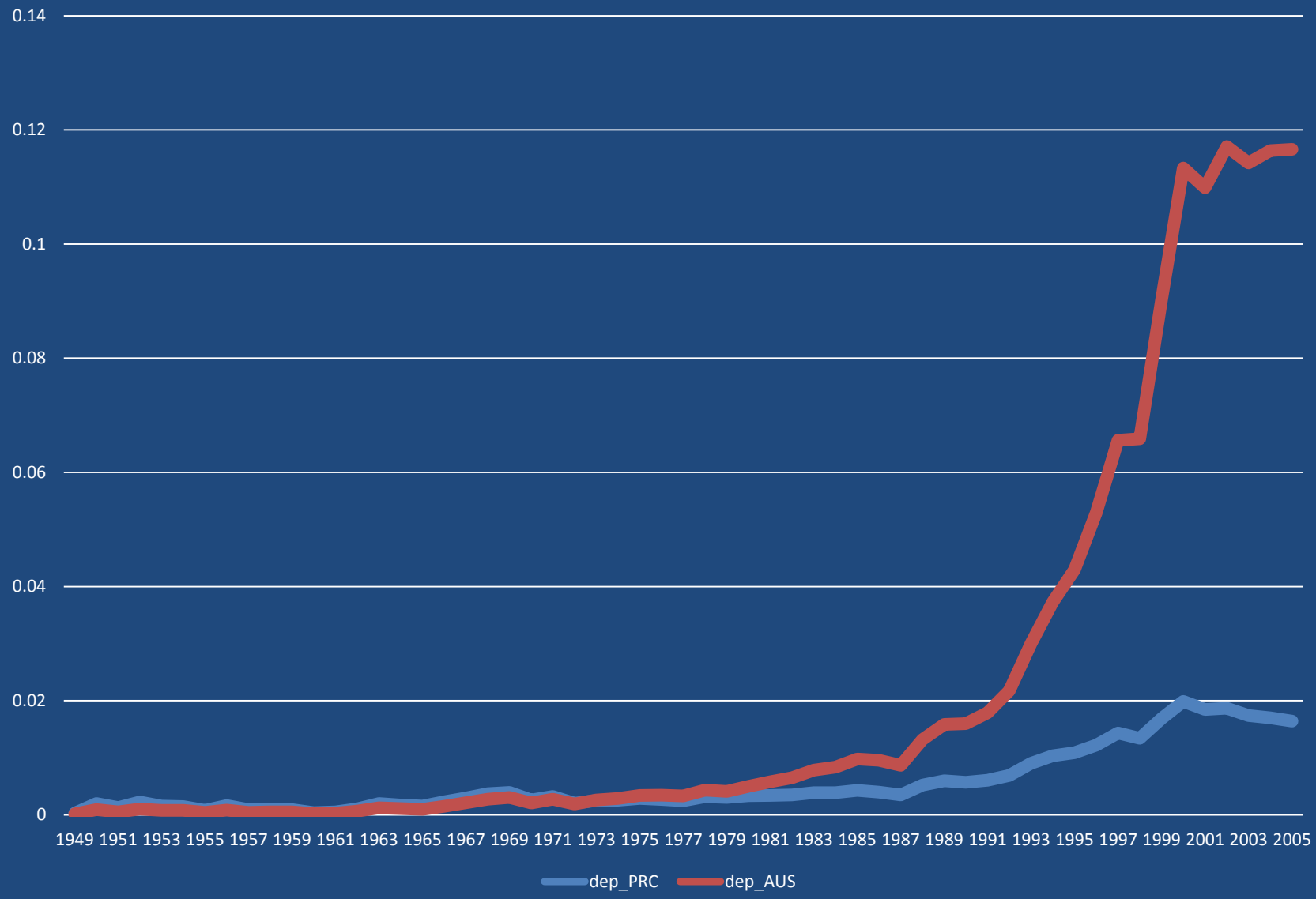
- The plus side: costs of major war remain prohibitive
- The minus side:
  - Does interdependence constrain *lower* level conflicts?
  - Growing dependencies and the exercise of leverage: the THAAD case, Pakistan's leaked Belt and Road Plan and the case of North Korea
  - The lack of transformative effects

### Militarized Interstate Disputes Initiated by China (1949-2016)



Source: Jack Zhang, "Is China an Exception to the Commercial Peace?"

# China-Australia Trade Dependence





# A North Korean Example

- The North Korean economy has become more open, but
  - Mainly to China, which has incentives to protect its client
  - Firm surveys show the state controls major foreign-exchange earning activities
  - “Interdependence” operates in the world economy’s gray zones of proliferation finance, money-laundering and sanctions evasion



*Sanctions, Inducements,  
and the Case  
of North Korea*

STEPHAN HAGGARD *and* MARCUS NOLAND

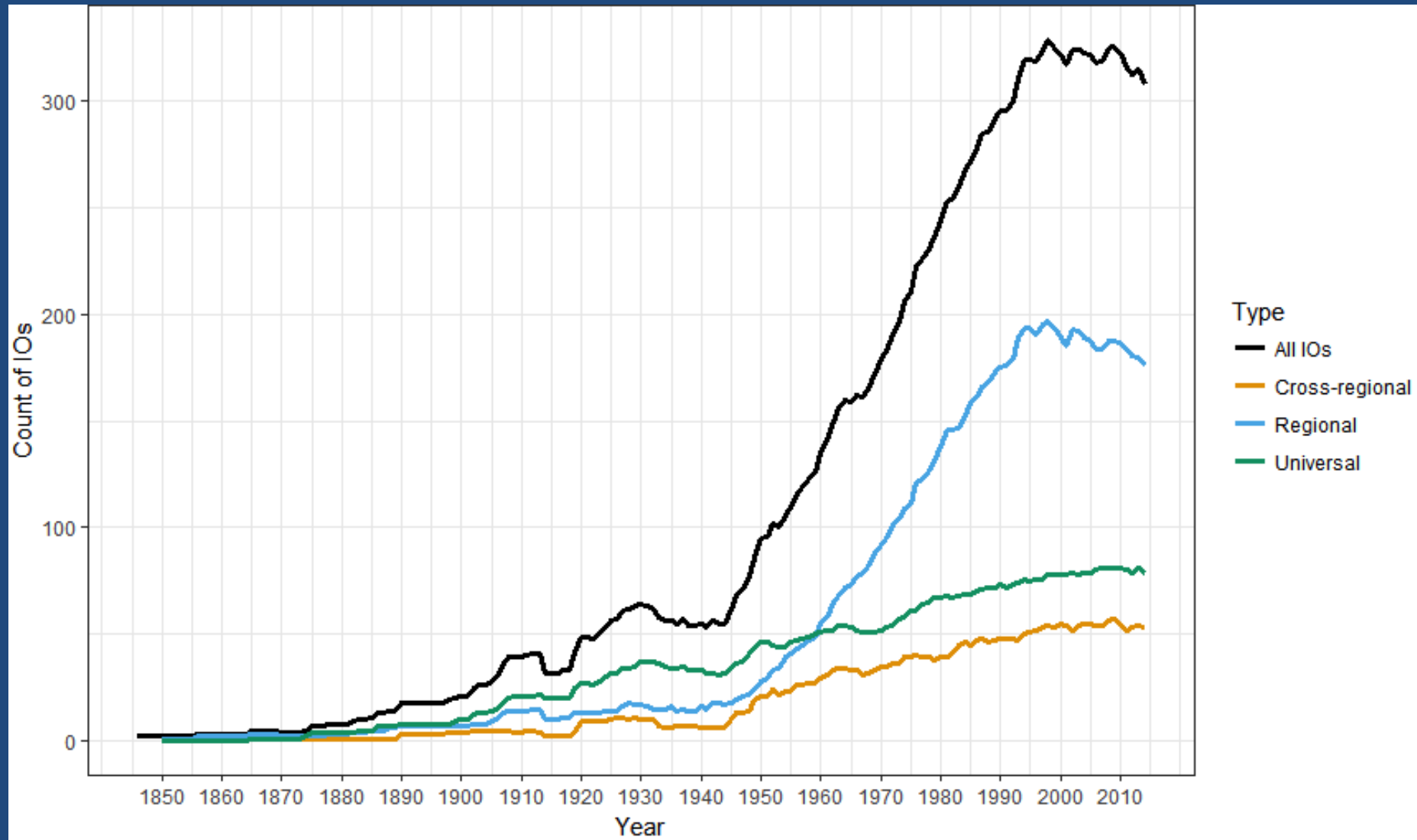
# The Role of Institutions

- For liberals, institutions provide public goods through:
  - Fora for bargaining
  - Rules that stabilize expectations
  - Dispute settlement mechanisms
- The Wilsonian or liberal institutionalist peace
- **The broader bet**
  - Checking US power
  - Coopting, socializing and accommodating new entrants

“...the existing order is easy to join and hard to overturn.”

John Ikenberry

# The Growth of Intergovernmental Organizations: 1850-2014

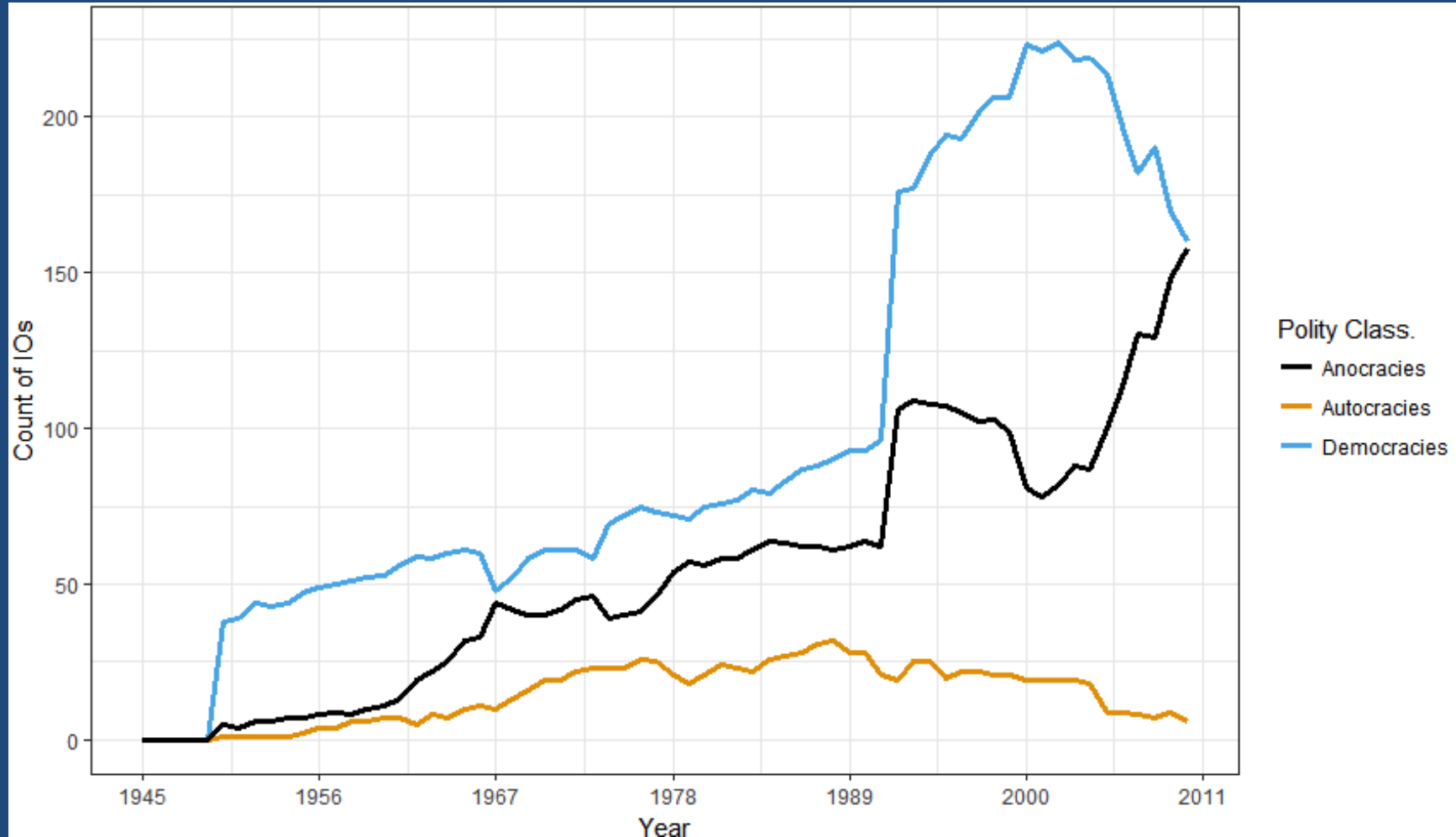


# The Role of Institutions II

## The Downside of Expansion

- Within existing institutions
  - Increasingly divergent political and economic preferences and even polarization
  - ...with the risk of deadlock: the Doha Round (2001-present)
- New—and changing—institutions: autocratic cooperation

# How Democratic Are International Institutions? Number of IGOs by Average Democracy Score (GDP weighted)



# Autocratic Cooperation

- The Bolivarian Alliance for the Peoples of Our Americas (2004)
- The Shanghai Cooperation and its Anti-Terrorism Treaty (2009)
- Joint Security Agreement of the Gulf Cooperation Council (2012)
- The Commonwealth of Independent States Election Monitoring Observers (2005)

# A Reprise

- Engaging realists on challenges to peace, security and prosperity
- Sources of liberal pessimism (2014)
  - The democratic recession and backsliding
  - The securitization—even weaponization--of international economic relations
  - Institutional dysfunction and autocratic cooperation



# From the World to the US (and Europe)

An elected president who:

- Promised not to interfere with autocracies and seems to prefer autocrats
- Showed little interest in integrity of world trading system
- Sees international institutions as constraining sovereignty

# Effects

- Not only ceding the stage to autocrats, but spawning imitators
- Weakening—and delegitimizing--international institutions
- On the world economy: the jury is still out
- **Why American realists are closet liberals: are we better off?**

# By Way of Conclusion: Liberal Nationalism with Restraint

- With respect to democracy and human rights: the home front, restraint and focus
- On the world economy: back to “embedded liberalism”
- On institutions: regional clubs vs. continuing engagement as a source of power