

The end of liberal international order?

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For seven decades the world has been dominated by a western liberal order. After the Second World War, the United States and its partners built a multifaceted and sprawling international order, organized around economic openness, multilateral institutions, security cooperation and democratic solidarity. Along the way, the United States became the ‘first citizen’ of this order, providing hegemonic leadership—anchoring the alliances, stabilizing the world economy, fostering cooperation and championing ‘free world’ values. Western Europe and Japan emerged as key partners, tying their security and economic fortunes to this extended liberal order. After the end of the Cold War, this order spread outwards. Countries in east Asia, eastern Europe and Latin America made democratic transitions and became integrated into the world economy. As the postwar order expanded, so too did its governance institutions. NATO expanded, the WTO was launched and the G20 took centre stage. Looking at the world at the end of the twentieth century, one could be excused for thinking that history was moving in a progressive and liberal internationalist direction.

Today, this liberal international order is in crisis. For the first time since the 1930s, the United States has elected a president who is actively hostile to liberal internationalism. Trade, alliances, international law, multilateralism, environment, torture and human rights—on all these issues, President Trump has made statements that, if acted upon, would effectively bring to an end America’s role as leader of the liberal world order. Simultaneously, Britain’s decision to leave the EU, and a myriad other troubles besetting Europe, appear to mark an end to the long postwar project of building a greater union. The uncertainties of Europe, as the quiet bulwark of the wider liberal international order, have global significance. Meanwhile, liberal democracy itself appears to be in retreat, as varieties of ‘new authoritarianism’ rise to new salience in countries such as Hungary, Poland, the Philippines and Turkey. Across the liberal democratic world, populist, nationalist and xenophobic strands of backlash politics have proliferated.¹

How deep is this crisis? It might simply be a temporary setback. With new political leadership and renewed economic growth, the liberal order could bounce

¹ On the troubles of western liberal democracy, see Edward Luce, *The retreat of western liberalism* (New York: Atlantic Monthly Press, 2017); Bill Emmott, *The fate of the West: the battle to save the world’s most successful political idea* (New York: Public Affairs, 2017).

back. But most observers think there is something more fundamental going on. Some observers see a crisis of American hegemonic leadership. For 70 years, the liberal international order has been tied to American power—its economy, currency, alliance system, leadership. Perhaps what we are witnessing is a ‘crisis of transition’, whereby the old US-led political foundation of the liberal order will give way to a new configuration of global power, new coalitions of states, new governance institutions. This transition might be leading to some sort of post-American and post-western order that remains relatively open and rules-based.² Others see a deeper crisis, one of liberal internationalism itself. In this view, there is a long-term shift in the global system away from open trade, multilateralism and cooperative security. Global order is giving way to various mixtures of nationalism, protectionism, spheres of influence and regional Great Power projects. In effect, there is no liberal internationalism without American and western hegemony—and that age is ending. Liberal internationalism is essentially an artefact of the rapidly receding Anglo-American era.³ Finally, some go even further than this, arguing that what is happening is that the long era of ‘liberal modernity’ is ending. Beginning with the Enlightenment and running through the industrial revolution and the rise of the West, world-historical change seemed to be unfolding according to a deep developmental logic. It was a progressive movement driven by reason, science, discovery, innovation, technology, learning, constitutionalism and institutional adaptation. The world as a whole was in the embrace of this global modernizing movement. Perhaps today’s crisis marks the ending of the global trajectory of liberal modernity. It was an artefact of a specific time and place—and the world is now moving on.⁴

No one can be sure how deep the crisis of liberal internationalism runs. In what follows, I argue that, despite its troubles, liberal internationalism still has a future. The American hegemonic organization of liberal order is weakening, but the more general organizing ideas and impulses of liberal internationalism run deep in world politics. What liberal internationalism offers is a vision of open and loosely rules-based order. It is a tradition of order-building that emerged with the rise and spread of liberal democracy, and its ideas and agendas have been shaped as these countries have confronted and struggled with the grand forces of modernity. Creating an international ‘space’ for liberal democracy, reconciling the dilemmas of sovereignty and interdependence, seeking protections and preserving rights within and between states—these are the underlying aims that have propelled liberal internationalism through the ‘golden eras’ and ‘global catastrophes’ of the last two centuries. Despite the upheavals and destruction of world war, economic depression, and the rise and fall of fascism and totalitarianism, the liberal interna-

² See G. John Ikenberry, *Liberal Leviathan: the origins, crisis, and transformation of the American world order* (Princeton: Princeton University Press, 2011); Amitav Acharya, *The end of American world order* (Cambridge: Polity, 2014).

³ See Robert Kagan, *The world America made* (New York: Vintage, 2013). For recent views, see Ian Buruma, ‘The end of the Anglo-American order’, *New York Times Magazine*, 29 Nov. 2016; Ulrich Speck, ‘The crisis of liberal order’, *The American Interest*, 12 Sept. 2016; Michael J. Boyle, ‘The coming illiberal era’, *Survival* 58: 2, 2016, pp. 35–66.

⁴ On the crisis of liberal modernity, see Pankaj Mishra, *Age of anger: a history of the present* (New York: Farrar, Straus & Giroux, 2017).

tional project survived. It is likely to survive today's crises as well. But to do so this time, as it has done in the past, liberal internationalism will need to be rethought and reinvented.

I make this argument in three steps. First, I offer a way of thinking about liberal internationalism. It is not simply a creature of American hegemony. It is a more general and longstanding set of ideas, principles and political agendas for organizing and reforming international order. In the most general sense, liberal internationalism is a way of thinking about and responding to modernity—its opportunities and its dangers. What has united the ideas and agendas of liberal internationalism is a vision of an open, loosely rules-based and progressively oriented international order. Built on Enlightenment foundations, it emerged in the nineteenth century with the rise in the West of liberalism, nationalism, the industrial revolution, and the eras of British and American hegemony. A conviction has run through nineteenth- and twentieth-century liberal internationalists that the western and—by extension—the global international order is capable of reform. This separates liberal internationalism from various alternative ideologies of global order—political realism, authoritarian nationalism, Social Darwinism, revolutionary socialism and post-colonialism.

Second, I trace liberal internationalism's crooked pathway into the twenty-first century, as it evolved and reinvented itself along the way. In the nineteenth century, liberal internationalism was seen in the movements towards free trade, international law, collective security and the functional organization of the western capitalist system. Along the way, liberal internationalism mixed and intermingled with all the other major forces that have shaped the modern global system—imperialism, nationalism, capitalism, and the shifting movements of culture and civilization. In the twentieth century and into the twenty-first, it moved through a sequence of golden eras, crises and turning points: Wilson and the League of Nations; the post-Second World War Anglo-American settlement and the building of the US-led postwar order; crises of capitalism and leadership in the world economy; the post-Cold War American 'unipolar' moment and the 'globalization' of liberalism and neo-liberal ideas; debates about the Responsibility to Protect (R2P) and liberal interventionism; and today's crisis of the western liberal order. Liberal internationalism came into its own as a political order during the Cold War, under American auspices. American liberal hegemony was essentially a western order built around 'free world' social purposes.

Third, I identify the sources of the contemporary crisis of liberal internationalism. These can be traced to the end of the Cold War. It is important to recall that the postwar liberal order was originally not a global order. It was built 'inside' one half of the bipolar Cold War system. It was part of a larger geopolitical project of waging a global Cold War. It was built around bargains, institutions and social purposes that were tied to the West, American leadership and the global struggle against Soviet communism. When the Cold War ended, this 'inside' order became the 'outside' order. As the Soviet Union collapsed, the great rival of liberal internationalism fell away, and the American-led liberal order expanded outwards. With

the end of the Cold War, liberal internationalism was globalized. Initially, this was seen as a moment of triumph for western liberal democracies. But the globalization of the liberal order put in motion two shifts that later became the sources of crisis. First, it upended the political foundations of the liberal order. With new states entering the system, the old bargains and institutions that provided the sources of stability and governance were overrun. A wider array of states—with a more diverse set of ideologies and agendas—were now part of the order. This triggered what might be called a ‘crisis of authority’, where new bargains, roles and responsibilities were now required. These struggles over authority and governance continue today. Second, the globalization of the liberal order also led to a loss of capacity to function as a security community. This can be called a ‘crisis of social purpose’. In its Cold War configuration, the liberal order was a sort of full-service security community, reinforcing the capacity of western liberal democracies to pursue policies of economic and social advancement and stability. As liberal internationalism became the platform for the wider global order, this sense of shared social purpose and security community eroded.

Taking all these elements together, this account of the crisis can be understood as a crisis of success, in the sense that the troubles besetting the liberal order emerged from its post-Cold War triumph and expansion. Put differently, the troubles today might be seen as a ‘Polanyi crisis’—growing turmoil and instability resulting from the rapid mobilization and spread of global capitalism, market society and complex interdependence, all of which has overrun the political foundations that supported its birth and early development.⁵ They do not, on the contrary, constitute what might be called an ‘E. H. Carr crisis’, wherein liberal internationalism fails because of the return of Great Power politics and the problems of anarchy.⁶ The troubles facing liberal internationalism are not driven by a return of geopolitical conflict, although conflicts with China and Russia are real and dangerous. In fact, the liberal international order has succeeded all too well. It has helped usher in a world that has outgrown its political moorings.

Liberal internationalism has survived its 200-year journey into the current century because, with liberal democracy at the core, it offered a coherent and functional vision of how to organize international space. The industrial revolution and the relentless rise of economic and security interdependence generated both opportunities and threats for liberal democracies. Liberal internationalism, in all its varied configurations, has provided templates for cooperation in the face of the grand forces of modernity. To do so again, the liberal international project will need to rethink its vision. It will either need to offer a ‘small and thick’ vision of liberal order, centred as it was during the Cold War on the western liberal democracies; or it will need to offer a ‘large and thin’ version of liberal internationalism, with global principles and institutions for coping with the dangers and vulnerabilities of twenty-first-century modernity—cascading problems of

⁵ Karl Polanyi, *The great transformation: the political and economic origins of our times* (Boston: Beacon, 1957).

⁶ E. H. Carr, *The twenty years crisis, 1919–1939: an introduction to the study of international relations* (London: Macmillan, 1951).

environmental destruction, weapons of mass destruction, global health pandemics and all the other threats to human civilization.

Liberal internationalism and world order

When the nineteenth century began, liberal democracy was a new and fragile political experiment, a political glimmering within a wider world of monarchy, autocracy, empire and traditionalism. Two hundred years later, at the end of the twentieth century, liberal democracies, led by the western Great Powers, dominated the world—commanding 80 per cent of global GNP. Across these two centuries, the industrial revolution unfolded, capitalism expanded its frontiers, Europeans built far-flung empires, the modern nation-state took root, and along the way the world witnessed what might be called the ‘liberal ascendancy’—the rise in the size, number, power and wealth of liberal democracies.⁷ Liberal internationalism is the body of ideas and agendas with which these liberal democracies have attempted to organize the world.

Liberal internationalism has risen and fallen and evolved. But its general logic is captured in a cluster of five convictions. One concerns openness. Trade and exchange are understood to be constituents of modern society, and the connections and gains that flow from deep engagement and integration foster peace and political advancement. An open international order facilitates economic growth, encourages the flow of knowledge and technology, and draws states together. Second, there is a commitment to some sort of loosely rules-based set of relations. Rule and institutions facilitate cooperation and create capacities for states to make good on their domestic obligations. This is what John Ruggie describes as ‘multilateralism’—an institutional form that coordinates relations among a group of states ‘on the basis of generalized principles of conduct’.⁸ Third, there is a view that liberal international order will entail some form of security cooperation. This does not necessarily mean alliances or a formal system of collective security, but states within the order affiliate in ways designed to increase their security. Fourth, liberal internationalism is built on the idea that international society is, as Woodrow Wilson argued, ‘corrigible’. Reform is possible. Power politics can be tamed—at least to some extent—and states can build stable relations around the pursuit of mutual gains. Fifth and finally, there is an expectation that a liberal international order will move states in a progressive direction, defined in terms of liberal democracy. The order provides institutions, relationships, and rights and protections that allow states to grow and advance at home. It is a sort of mutual aid and protection society.⁹

Seen in this way, a liberal international order can take various forms. It can

⁷ See Michael Doyle, ‘Kant, liberal legacies, and foreign affairs’, parts 1 and 2, *Philosophy and Public Affairs* 12: 1–2, 1983, pp. 205–35, 323–53.

⁸ John Gerard Ruggie, ‘Multilateralism: the anatomy of an institution’, in John Gerard Ruggie, ed., *Multilateralism matters: the theory and praxis of an institutional form* (New York: Columbia University Press, 1993), p. 11.

⁹ See Tim Dunne and Matt McDonald, ‘The politics of liberal internationalism’, *International Politics* 50: 1, Jan. 2013, pp. 1–17; Beate Jahn, *Liberal internationalism: theory, history, practice* (New York: Palgrave, 2013).

be more or less global or regional in scope. The early postwar western liberal order was primarily an Atlantic regional community, while the post-Cold War liberal system has had a wider global reach. A liberal international order can be more or less organized around a hegemonic state—that is, it can be more or less hierarchical in character. It can be more or less embodied in formal agreements and governance institutions. Perhaps most importantly, the ‘social purposes’ of a liberal international order can vary. It can have a ‘thin’ social purpose, providing, for example, only rudimentary rules and institutions for limited cooperation and exchange among liberal democracies. Or it could have a ‘thick’ social purpose, with a dense set of agreements and shared commitments aimed at realizing more ambitious goals of cooperation, integration and shared security. Overall, liberal internationalism can be more or less open, rules-based and progressively oriented.¹⁰ Liberal internationalism can be seen as breaking down or disappearing when international order is increasingly organized around mercantile blocs, spheres of influence, imperial zones and closed regions.

Taken as a whole, liberal internationalism offers a vision of order in which sovereign states—led by liberal democracies—cooperate for mutual gain and protection within a loosely rules-based global space. Glimmerings of this vision emerged in the late eighteenth and early nineteenth centuries, triggered by Enlightenment thinking and the emergence of industrialism and modern society. Over the next century, a variety of economic, political and intellectual developments set the stage for the reorganization of relations among western states. The Great Powers of Europe met as the patrons of western order in the Congress of Vienna. Led by Britain, these states entered into a period of industrial growth and expanding trade. Political reform—and the revolutions of 1848—reflected the rise of and struggles for liberal democracy and constitutionalism, the growth of the middle and working classes, and the creation of new political parties arrayed across the ideological spectrum from conservative to liberal and socialist. Nationalism emerged and became tied to the building of modern bureaucratic states. Britain signalled a new orientation towards the world economy with the repeal of the Corn Laws. Nationalism was matched with new forms of internationalism—in law, commerce and social justice. Peace movements spread across the western world. A new era of European industrial-age imperialism began, as Britain, France and other European states competed for colonial prizes. Along the way, new ideas of ‘the global’ emerged, intellectual and political visions of a rapidly developing global system.¹¹

¹⁰ For a discussion of these various dimensions of liberal internationalism, see G. John Ikenberry, ‘Liberal internationalism 3.0: America and the dilemmas of liberal world order’, *Perspectives on Politics* 7: 1, March 2009, pp. 71–87.

¹¹ For depictions of the theory and history of liberal internationalism, see Tony Smith, *America's mission: the United States and the worldwide struggle for democracy* (Princeton: Princeton University Press, 1994); Michael Mandelbaum, *The ideas that conquered the world: peace, democracy, and free markets in the twenty-first century* (New York: Public Affairs, 2004); Elizabeth Borgwardt, *A new deal for the world: America's vision for human rights* (Cambridge, MA: Harvard University Press, 2005); Frank Ninkovich, *Modernity and power: a history of the domino in the twentieth century* (Chicago: University of Chicago Press, 1994). For a portrait of liberalism within the wider array of classical theories of international relations, see Michael Doyle, *Ways of war and peace: realism, liberalism, and socialism* (New York: Norton, 1997).

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In this setting, liberal internationalism emerged as a way of thinking about western and world order. It began as a variety of scattered nineteenth-century internationalist ideas and movements. Liberal ideas in Britain began with Adam Smith's writings in the late eighteenth century and continued with thinkers such as Richard Cobden and John Bright in the nineteenth. A general view emerged—captured, for example, in the writings of Walter Bagehot and many others—that there was a developmental logic to history, a movement from despotic states to more rules-based and constitutional ones. Kant's ideas on republicanism and perpetual peace offered hints of an evolutionary logic in which liberal democracies would emerge and organize themselves within a wider political space. Ideas of contracts, rights and the law were developed by thinkers from John Locke to John Stuart Mill.¹²

The connections between domestic liberalism and liberal internationalism are multifaceted, and they have evolved over the last two centuries. It is hard to see a distinctive or coherent liberal international agenda in the nineteenth century. At this time, such notions were primarily manifest in ideas about world politics that emerged from thinkers and activists committed to liberalism within countries—in ideas about liberalization of trade, collective security, arbitration of disputes and so forth. What emerges during this era is a sense of an international sphere of action that was opening up within the liberal democratic world, and a conviction that collective efforts could and should be made to manage this expanding international space. As Mark Mazower has argued, what was new was the notion that a realm of 'the international' was growing and that 'it was in some sense governable'.¹³

In the twentieth century there emerged a much more full-blown sense of liberal internationalism, understood as a set of prescriptions for organizing and reforming the world in such a way as to facilitate the pursuit of liberal democracy at home. Beginning with Woodrow Wilson in 1919, liberal internationalism emerged as an agenda for building a type of order—a sort of 'container' within which liberal democracies could live and survive. In the hands of F. D. Roosevelt and his generation after 1945, liberal internationalism became to an even greater extent an agenda for building an international community within which liberal democracies could be stabilized and protected. Growing out of the New Deal experience, the postwar 'embedded liberal' order was designed in part to safeguard liberal democracies from growing risks of economic and political upheavals generated by modernity itself. In this way, liberal internationalism offered a vision of a reformed and managed western—and, eventually, global—order that would provide the organizational principles, institutions and capacities to negotiate the international contingencies and dislocations that threaten the domestic pursuit of liberal democracy.

¹² See Edmund Fawcett, *Liberalism: the life of an idea* (Princeton: Princeton University Press, 2014).

¹³ Mark Mazower, *Governing the world: the history of an idea* (London: Allen Lane, 2012), p. 15.

The era of American liberal hegemony

Liberal internationalism emerged after the Second World War as an organizing vision for the western-led order. As in 1919, so after 1945 the United States used its postwar position to lead in the building of a postwar order. But along the way, liberal internationalism took on a new shape and character—and with the rise of the Cold War, a US-led liberal hegemonic order emerged. In the age of Wilson, liberal internationalism was a relatively simply vision. International order was to be organized around a collective security system in which sovereign states would act together to uphold a system of territorial peace. The Wilsonian vision was undergirded by open trade, national self-determination, and the expectation of the continuing spread of liberal democracy. As Wilson himself put it: ‘What we seek is the reign of law, based on the consent of the governed and sustained by the organized opinion of mankind.’¹⁴ It was an ambitious scheme of order, but one without a lot of institutional machinery for global economic and social problem-solving or the management of Great Power relations. It was to be an institutionally ‘thin’ system of order in which states—primarily the western powers—would act cooperatively through a shared embrace of liberal ideas and principles.¹⁵ The great centrepiece and organizational embodiment of Wilsonian liberal internationalism was the League of Nations.

The dramatic upheavals of the Great Depression, the Second World War and the Cold War set the stage for another American-led attempt to build a liberal order. A new moment to remake the world had arrived. Basic questions about power, order and modernity had to be rethought. From the 1930s onwards, the viability of western liberal democracy was itself uncertain. The violence and instabilities of the 1930s and 1940s forced liberal internationalists—and indeed everyone else—to reassess their ideas and agendas. The First World War was a jolt to the optimistic narratives of western civilization and progress. But FDR and his generation—facing the even more frightening rise of fascism and totalitarianism, followed by the horrors of total war, the Holocaust and the advent of atomic weapons, not to mention the collapse of the world economy—seemed to face a far more formidable, even existential array of threats. Modernity itself showed its dark side.

In this setting, FDR and his contemporaries found themselves advancing a new—more world-weary—vision of liberal international order. Paradoxically, it became both more universalistic in its vision and more deeply tied to American hegemonic power. The universalism can be seen in the Charter of the United Nations and the Universal Declaration of Human Rights. In the 1940s, liberal internationalism was reframed. The liberal internationalism of the Woodrow Wilson era was built around civilizational, racial and cultural hierarchies. It was a creature of the western white man’s world. It was a narrow type of principled internationalism. Wilson-era liberal internationalism did not challenge European

¹⁴ Woodrow Wilson, speech at Mount Vernon, Virginia, 4 July 1918, https://archive.org/details/address_ofpresideoowilsonw.

¹⁵ See Ikenberry, ‘Liberal internationalism 3.0’.

imperialism or racial hierarchies. British liberals explicitly defended empire and continued to see the world in racial and civilizational terms. The 1940s saw a shift or reformulation of these ideas. Universal rights and protections became more central to the ideological vision. FDR's Four Freedoms (of speech and worship, from want and fear) were the defining vision for this new conception of liberal international order. The postwar order was to be a security community—a global space where liberal democracies joined together to build a cooperative order that enshrined basic human rights and social protections.

At the same time, these universal rights and protections were advanced and legitimated in terms of the American-led Cold War struggle. The United States would be the hegemonic sponsor and protector of the liberal order. With American leadership, the 'free world' would be a sort of 'security community'. It would have rules, institutions, bargains and full-service political functions. To join the western liberal order was to join a 'mutual protection' society. To be inside this order was to enjoy trade, expanding growth, and tools for managing economic stability. Inside, it was warm; outside, it was cold. Countries would be protected in alliance partnerships and an array of functional organizations. In other words, in the postwar era, liberal internationalism became both more universal in its ideas and principles and more tied to an American-led political order.¹⁶

Over the Cold War decades, American-led liberal internationalism emerged as a distinctive type of order. The United States came to take on a variety of functions and responsibilities. It came to have a direct role in running the order—and it also found itself increasingly tied to the other states within the order. The United States became a provider of public goods—or at least 'club goods'. It upheld the rules and institutions, fostered security cooperation, led the management of the world economy, and championed shared norms and cooperation among the western-oriented liberal democracies. In security affairs, the United States established an array of security partnerships, beginning with NATO and alliances in east Asia. In the management of the world economy, the Bretton Woods international financial institutions became tied to the American market and dollar. Together, in the shadow of the Cold War, the American domestic system—its market and polity—became 'fused' to the evolving and deepening postwar liberal order.

American liberal hegemony, as a type of international order, had several key characteristics. First, it was built around open multilateral trade. In many ways, this was the key vision of the postwar American architects of liberal order. During the war, the question was debated: how large a geopolitical market space would the United States need so as to remain a viable global power? This was the era when most of the world's regions were divided into imperial zones, blocs and spheres of influence. The American strategic judgement was that, on the contrary, the postwar world would need to be open and accessible to the United States. The worst outcome would be closed regions in Europe, Asia and the Middle East, dominated by hostile Great Powers. Out of these worries, the United States launched its efforts to open the world economy and build institutions and

¹⁶ For a depiction of the American liberal hegemonic order, see Ikenberry, *Liberal Leviathan*.

partnerships that would establish a durably open global order. At the core of this system would be the liberal democracies, facilitating trade through GATT and later the WTO.

Second, American liberal hegemony was also defined by its commitment to a 'managed' open world economy. This is what John Ruggie has called 'embedded liberalism'. International agreements, embodied in the Bretton Woods system, were designed to give governments greater ability to regulate and manage economic openness to ensure that it was reconciled with domestic economic stability and policies in pursuit of full employment.¹⁷ The New Deal itself provided an inspiration for this new thinking about the organization of an open world economy. The visionary goal was a middle ground between openness and stability. Free trade was essential for the sort of economic recovery and growth that would support centrist and progressive postwar political leadership in the United States and Europe. But trade and exchange would need to be reconciled with government efforts to ensure economic stability and the security of workers and the middle class. Social and economic security went hand in hand with national security.

Third, the postwar liberal order was built around new and permanent international institutions. To a greater extent than in Wilson's day, post-1945 liberal internationalists sought to build order around a system of multilateral governance. This was a vision of intergovernmentalism more than supranationalism. Governments would remain the primary source of authority. But governments would organize their relations around permanent regional and global institutions. They would conduct relations on multilateral platforms—bargaining, consulting, coordinating. These institutions would serve multiple purposes. They would facilitate cooperation by providing venues for ongoing bargaining and exchange. They would reinforce norms of equality and non-discrimination, thereby giving the order more legitimacy. And they would tie the United States more closely to its postwar partners, reducing worries about domination and abandonment. The result was an unprecedented effort across economic, political and security policy spheres to build working multilateral institutions.

Fourth, there was a special emphasis on relations among the western liberal democracies. The core underlying principles and norms of the liberal order could be construed as 'universal'. FDR's Four Freedoms were of this sort, and so too were the principles of multilateralism embedded in the postwar economic institutions. But the order itself was organized around the United States and its liberal democratic allies and clients. The fact that it was built inside the larger Cold War-era bipolar system reinforced this orientation. Architects of the order understood that there was a special relationship among the western liberal democracies. At first this encompassed essentially just western Europe and Japan; but in the aftermath of the Cold War a larger and more diverse community of democracies took hold. The essential premise of American global leadership was that there is something special and enduring about the alignment of democracies. They have

¹⁷ John Ruggie, 'International regimes, transactions, and change: embedded liberalism in the postwar economic order', *International Organization* 36: 2, Spring 1982, pp. 379–415.

shared interests and values. American presidents from Woodrow Wilson to Barack Obama have acted on the assumption that democracies have a unique capacity to cooperate. In building liberal order during the Cold War, there was an authentic belief—held in Washington but also in European and Asian capitals—that the ‘free world’ was not just a temporary defensive alliance ranged against the Soviet Union: it was a nascent political community—a community of shared fate.¹⁸ In this sense, the American-led order was, at its core, a ‘democratic alliance’ to defend and support a shared liberal democratic political space.

This liberal hegemonic order flourished over the decades of the Cold War. It provided a framework for the liberalization of trade and decades of growth across the advanced industrial world. Incomes and life opportunities steadily increased for the postwar generations of Europeans, Japanese and Americans. This open system ushered in, as Paul Johnson argues, ‘the most rapid and prolonged economic expansion in world history’.¹⁹ But the postwar liberal order was more than a growth machine. It provided a ‘container’ within which liberal democracies could gain greater measures of security and protection as well. To be inside this liberal hegemonic order was to be positioned inside a set of full-service economic, political and security institutions. It was both a *Gesellschaft*—a ‘society’ defined by formal rules, institutions and governmental ties—and a *Gemeinschaft*—a ‘community’ defined by shared values, beliefs and expectations.²⁰ Liberal order was a sort of nascent security community—with ‘security’ defined broadly.

Crises and transformations

The foundations of this postwar liberal hegemonic order are weakening. In a simple sense, this is a story of grand shifts in the distribution of power and the consequences that follow. The United States and its allies are less powerful than they were when they built the postwar order. The unipolar moment—when the United States dominated world economic and military rankings—is ending. Europe and Japan have also weakened. Together, this old triad of patrons of the postwar liberal order is slowly dwindling in its share of the wider global distribution of power. This shift is probably not best seen as a transition from an American to a Chinese hegemonic order, the ‘return to multipolarity’ or a ‘rise of the non-West’. Rather, it is simply a gradual diffusion of power away from the West. China will probably not replace the United States as an illiberal hegemon, and the global South will probably not emerge as a geopolitical bloc that directly challenges the US-led order. But the United States—and its old allies—will continue to be a smaller part of the global whole, and this will constrain their ability to support and defend the liberal international order.

¹⁸ Timothy Garton Ash, *Free world: America, Europe, and the surprising future of the West* (New York: Random House, 2004).

¹⁹ Quoted in Paul Ninkovich, *The global republic: America's inadvertent rise to world power* (Chicago: University of Chicago Press, 2014), p. 178.

²⁰ These terms were introduced in the early twentieth century by the German sociologists Ferdinand Tönnies and Max Weber.

The political troubles of western liberal democracies magnify the implications of these global power shifts. As noted above, democracies everywhere are facing internal difficulties and discontents. The older western democracies are experiencing rising inequality, economic stagnation, fiscal crisis, and political polarization and gridlock. Many newer and poorer democracies, meanwhile, are beset by corruption, backsliding and rising inequality. The great 'third wave' of democratization seems to have crested, and now to be receding. As democracies fail to address problems, their domestic legitimacy is diminished and increasingly challenged by resurgent nationalist, populist and xenophobic movements. Together, these developments cast a dark shadow over the democratic future.

During the Cold War, the American-led liberal order was lodged within the western side of the bipolar world system. It was during these decades that the foundations of liberal hegemonic order were laid. With the collapse of the Soviet Union, this 'inside' order became the nucleus of an expanding global system. This had several consequences. One was that the United States became the sole superpower—the world entered the unipolar moment. This made American power itself an issue in world politics. During the Cold War, American power had a functional role in the system: it served as a balance against Soviet power. With the sudden emergence of unipolarity, American power was less constrained—and it did not play the same system-functional role. New debates emerged about the character of American hegemonic power. What would restrain American power? Was the United States now an informal empire? The American war in Iraq and the global 'war on terror' exacerbated these worries.²¹

Ironically, the crisis of the US-led liberal order can be traced to the collapse of Cold War bipolarity and the resulting spread of liberal internationalism. The seeds of crisis were planted at this moment of triumph. The liberal international order was, in effect, globalized. It was freed from its Cold War foundations and rapidly became the platform for an expanding global system of liberal democracy, markets and complex interdependence. During the Cold War, the liberal order was a global subsystem—and the bipolar global system served to reinforce the roles, commitments, identity and community that were together manifest as liberal hegemony. The crisis of liberal internationalism can be seen as a slow-motion reaction to this deep transformation in the geopolitical setting of the postwar liberal international project. Specifically, the globalization of liberal internationalism put in motion two long-term effects: a crisis of governance and authority, and a crisis of social purpose.

First, with the collapse of the Soviet sphere, the American-led liberal international order became the only surviving framework for order, and a growing number and diversity of states began to be integrated into it. This created new problems for the governance of the order. During the Cold War, the western-oriented liberal order was led by the United States, Europe and Japan, and it was

²¹ See Ikenberry, *Liberal Leviathan*, ch. 6. For debates about American unipolarity, see Steve Walt, *Taming American power: the global response to US primacy* (New York: Norton, 2005); Stephen G. Brooks and William C. Wohlforth, *World out of balance: international relations and the challenge of American primacy* (Princeton: Princeton University Press, 2008).

organized around a complex array of bargains, working relationships and institutions. (Indeed, in the early postwar years, most of the core agreements about trade, finance and monetary relations were hammered out between the United States and Britain.) These countries did not agree on everything, but relative to the rest of the world, this was a small and homogeneous group of western states. Their economies converged, their interests were aligned and they generally trusted each other. These countries were also on the same side of the Cold War, and the American-led alliance system reinforced cooperation. This system of alliance made it easier for the United States and its partners to make commitments and bear burdens. It made it easier for European and east Asian states to agree to operate within an American-led liberal order. In this sense, the Cold War roots of the postwar liberal order reinforced the sense that the liberal democracies were involved in a common political project.

With the end of the Cold War, these foundational supports for liberal order were loosened. More, and more diverse, states entered the order—with new visions and agendas. The post-Cold War era also brought into play new and complex global issues, such as climate change, terrorism and weapons proliferation, and the growing challenges of interdependence. These are particularly hard issues on which to reach agreement among states coming from very different regions, with similarly different political orientations and levels of development. As a result, the challenges to multilateral cooperation have grown. At the core of these challenges has been the problem of authority and governance. Who pays, who adjusts, who leads? Rising non-western states began to seek a greater voice in the governance of the expanding liberal order. How would authority across this order be redistributed? The old coalition of states—led by the United States, Europe and Japan—built a postwar order on layers of bargains, institutions and working relationships. But this old trilateral core is not the centre of the global system in the way it once was. The crisis of liberal order today is in part a problem of how to reorganize the governance of this order. The old foundations have been weakened, but new bargains and governance arrangements are yet to be fully negotiated.²²

Second, the crisis of the liberal order is a crisis of legitimacy and social purpose. During the Cold War, the American-led postwar order had a shared sense that it was a community of liberal democracies that were made physically safer and economically more secure by affiliating with each other. The first several generations of the postwar period understood that to be inside this order was to be in a political and economic space where their societies could prosper and be protected. This sense was captured in John Ruggie's notion of 'embedded liberalism'. Trade and economic openness were rendered more or less compatible with economic security, stable employment and advancing living standards. The western-oriented liberal order had features of a security community—a sort of mutual protection society. Membership of this order was attractive because it provided tangible rights and benefits. It was a system of multilateral cooperation that provided

²² For an overview of these governance challenges, see Amitav Acharya, *Why govern? Rethinking demand and progress in global governance* (Cambridge: Cambridge University Press, 2016).

national governments with tools and capacities to pursue economic stability and advancement.

This idea of liberal order as a security community is often lost in the narratives of the postwar era. The United States and its partners built an order—but they also ‘formed a community’: one based on common interests, shared values and mutual vulnerability. The common interests were manifest, for example, in the gains that flowed from trade and the benefits of alliance cooperation. The shared values were manifest in a degree of public trust and ready capacity for cooperation rooted in the values and institutions of liberal democracy. Mutual vulnerability was a sense that these countries were experiencing a similar set of large-scale perils—flowing from the great dangers and uncertainties of geopolitics and modernity. This idea of a western security community is hinted at in the concept of ‘risk society’ put forward by sociologists Anthony Giddens and Ulrich Beck. Their argument is that the rise of modernity—of an advanced and rapidly developing global system—has generated growing awareness of and responses to ‘risk’. Modernization is an inherently unsettling march into the future. A risk society is, as Beck defines it, ‘a systematic way of dealing with hazards and insecurities induced and introduced by modernisation itself’.²³ The Cold War intensified this sense of risk, and out of a growing sense of shared economic and security vulnerabilities, the western liberal democracies forged a security community.

With the end of the Cold War and the globalization of the liberal order, this sense of security community was undermined. This happened in the first instance, as noted above, through the rapid expansion in the number and variety of states in the order. The liberal order lost its identity as a western security community. It was now a far-flung platform for trade, exchange and multilateral cooperation. The democratic world was now less Anglo-American, less western. It embodied most of the world—developed, developing, North and South, colonial and post-colonial, Asian and European. This too was a case of ‘success’ planting the seeds of crisis. The result was an increasing divergence of views across the order about its members, their place in the world, and their historical legacies and grievances. There was less of a sense that liberal internationalism was a community with a shared narrative of its past and future.

The social purposes of the liberal order were further undermined by rising economic insecurity and grievance across the western industrial world. Since the 2008 financial crisis at least, the fortunes of workers and middle-class citizens in Europe and the United States have stagnated.²⁴ The expanding opportunities and rising wages enjoyed by earlier postwar generations seem to have stalled. For example, in the United States almost all the growth in wealth since the 1980s has gone to the top 20 per cent of earners in society. The post-Cold War growth in

²³ Ulrich Beck, *Risk society: towards a new modernity* (London: Sage, 1992), p. 7. See also Anthony Giddens and Christopher Pierson, *Making sense of modernity: conversations with Anthony Giddens* (Palo Alto, CA: Stanford University Press, 1998).

²⁴ For evidence of stagnant and declining incomes among the working and middle classes in the US and Europe, and connections to the election of Donald Trump and Brexit, see Ronald Ingelhart and Pippa Norris, *Trump, Brexit, and the rise of populism: economic have-nots and cultural backlash*, working paper (Cambridge, MA: Harvard Kennedy School, 19 July 2016).

trade and interdependence does not seem to have directly advanced the incomes and life opportunities of many segments of the western liberal democracies. Branko Milanovic has famously described the differential gains across the global system over the last two decades as an ‘elephant curve’. Looking across global income levels, Milanovic finds that the vast bulk of gains in real per capita income have been made in two very different groups. One comprises workers in countries such as China and India who have taken jobs in low-end manufacturing and service jobs, and, starting at very low wage levels, have experienced dramatic gains—even if they remain at the lower end of the global income spectrum. This is the hump of the elephant’s back. The other group is the top 1 per cent—and, indeed, the top 0.01 per cent—who have experienced massive increases in wealth. This is the elephant’s trunk, extended upward.²⁵ This stagnation in the economic fortunes of the western working and middle classes is reinforced by long-term shifts in technology, trade patterns, union organization and the sites for manufacturing jobs.

Under these adverse economic conditions, it is harder today than in the past to see the liberal order as a source of economic security and protection. Across the western liberal democratic world, liberal internationalism looks more like neo-liberalism—a framework for international capitalist transactions. The ‘embedded’ character of liberal internationalism has slowly eroded.²⁶ The social purposes of the liberal order are not what they once were. It is less obvious today that the liberal democratic world is a security community. What do citizens in western democracies get from liberal internationalism? How does an open and loosely rules-based international order deliver security—economic or physical—to the lives of the great middle class? Liberal internationalism across the twentieth century was tied to progressive agendas within western liberal democracies. Liberal internationalism was seen not as the enemy of nationalism, but as a tool to give governments capacities to pursue economic security and advancements at home. What has happened in the last several decades is that this connection between progressivism at home and liberal internationalism abroad has been broken.

Conclusions

For the past 70 years, liberal internationalism has been embedded in the postwar American hegemonic order. It is an order that has been marked by economic openness and security cooperation as well as collective efforts to keep the peace, promote the rule of law, and sustain an array of international institutions organized to manage the modern problems of interdependence. This expansive version of liberal order emerged in fits and starts during the twentieth century as

²⁵ Branko Milanovic, *Global inequality: a new approach for the age of globalization* (Cambridge, MA: Harvard University Press, 2016), ch. 1.

²⁶ See Jeff D. Colgan and Robert O. Keohane, ‘The liberal order is rigged: fix it now or watch it wither’, *Foreign Affairs* 96: 3, May–June 2017, pp. 36–44. For an account of the rise of neo-liberalism in the late twentieth century, see Mark Blyth, *Great transformation: economic ideas and institutional change in the twentieth century* (Cambridge: Cambridge University Press, 2002).

the United States and Europe struggled with the great dangers and catastrophes that shocked and shook the world—world war, economic depression, trade wars, fascism, totalitarianism and vast social injustices. Today this American-led era of liberal internationalism looks increasingly beleaguered. To bet on the future of the global liberal order is a little bit like a second marriage—a triumph of hope over experience. But it is important to take the long view. The liberal international project has travelled from the eighteenth century to our own time through repeated crises, upheavals, disasters and breakdowns—almost all of them worse than those appearing today. Indeed, it might be useful to think about liberal international order the way John Dewey thought about democracy—as a framework for coping with the inevitable problems of modern society. It is not a blueprint for an ideal world order; it is a methodology or machinery for responding to the opportunities and dangers of modernity.

The future of this liberal order hinges on the ability of the United States and Europe—and increasingly a wider array of liberal democracies—to lead and support it. This, in turn, depends on the ability of these leading liberal democracies to remain stable, well functioning and internationalist. Can these states recover their stability and bearings as liberal democracies? Can they regain their legitimacy and standing as ‘models’ of advanced societies by finding solutions to the current generation’s great problems—economic inequality, stagnant wages, fiscal imbalances, environmental degradation, racial and ethnic conflicts, and so forth? Global leadership hinges on state power, but also on the appeal and legitimacy of the ideals and principles that Great Powers embody and project. The appeal and legitimacy of liberal internationalism will depend on the ability of the United States and other states like it to re-establish their ability to function and to find solutions to twenty-first-century problems.

It is worth remembering that American liberal internationalism was shaped and enabled by the domestic programmes of the Progressives, the New Deal and the Great Society. These initiatives aimed to address American economic and social inequalities and reorganize the American state in view of the unfolding problems of industrialism and globalization. FDR and the New Deal were the critical pivot for America’s liberal internationalist vision of order.

It was an era of pragmatic and experimental domestic and foreign policy. It was a moment when the regime principles of the American foundation and Civil War were once again renewed and updated. It was a time of existential crisis—but also of bold and visionary undertakings. The domestic progressive experience provides an important lesson for those seeking to grapple with the present generation’s crisis of liberal democracy. The liberal internationalism of the twentieth century was closely tied to domestic progressive policy and movements. The internationalism of Wilson’s and FDR’s generations emerged from their efforts to build a more progressive domestic order. Internationalism was put at the service of strengthening the nation—that is, the ability of governments and national leaders to make good on their promises to promote economic well-being and social advancement.

So the future of liberal internationalism hinges on two questions. First, can the United States and other liberal democracies recapture their progressive political orientation? America's 'brand'—as seen in parts of the non-western world—is perceived to be neo-liberal, that is, single-minded in its commitment to capital and markets. It is absolutely essential that the United States shatter this idea. Outside the West—and indeed in most parts of Europe—this is not the core of the liberal democratic vision of modern society. If there is an ideological 'centre of gravity' in the wider world of democracies, it is more social democratic and solidarist than neo-liberal. Or, to put it simply: it looks more like the vision of liberal democracy that was articulated by the United States during the New Deal and early postwar decades. This was a period when economic growth was more inclusive and was built around efforts to promote economic stability and social protections. If liberal internationalism is to thrive, it will need to be built again on these sorts of progressive foundations.

Second, can the United States and its old allies expand and rebuild a wider coalition of states willing to cooperate within a reformed liberal global order? It is a simple fact that the United States cannot base its leadership on the old coalition of the West and Japan. It needs to actively court and co-opt the wider world of developing democracies. It is already doing this, but it needs to make the enterprise integral to its grand strategic vision. The goal should be to reconfigure rights and responsibilities in existing institutions to reflect the diffusion of power in an increasingly multipolar world. This should be done in such a way as to cultivate deeper relations with democratic states within the rising non-western developing world. The global multilateral institutions—from the UN and IMF downwards—need to be reformed to reflect this new global reality.

In the end, the sources of continuity in the postwar liberal international order become visible when we look at the alternatives. The alternatives to liberal order are various sorts of closed systems—a world of blocs, spheres and protectionist zones. The best news for liberal internationalism is probably the simple fact that more people will be harmed by the end of some sort of global liberal international order than will gain. This does not mean it will survive, but it does suggest that there are constituencies—even in the old industrial societies of the West—that have reason to support it. Beyond this, there is simply no grand ideological alternative to a liberal international order. China does not have a model that the rest of the world finds appealing. Neither does Russia. These are authoritarian capitalist states. But this type of state does not translate into a broad set of alternative ideas for the organization of world order. The values, interests and mutual vulnerabilities that drove the rise and spread of liberal internationalism are still with us. Crises and transformations in liberal internationalism have marked its 200-year passage to the present. If liberal democracy survives this era, so too will liberal internationalism.

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