

# **The Rise & Fall of the Liberal International Order**

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# The Rise & Fall of the Liberal International Order

## I. Introduction

It is widely believed that the United States led the way in building a liberal international order in the aftermath of World War II, which has had remarkable staying power over time. Indeed, it grew markedly more influential after the Cold War ended in 1989 and the Soviet Union collapsed in 1991. Western elites see this order as a hugely positive force for promoting peace and prosperity around the globe.

The tectonic plates that underpin the liberal international order are shifting, however, and it is under serious threat, maybe even falling apart. Major change to the existing order appears to be inevitable. In fact, when President Donald Trump ran for the White House in 2016, he emphasized his contempt for the liberal world order. Since taking office, he has pursued policies that seem designed to tear it down. It would be a mistake, however, to think that the liberal international order is in trouble today simply because President Trump has it in his sights. There are more fundamental problems at play, which account for why he has been able to challenge an order that enjoys almost universal support among the foreign elites in the West. The aim of this article is to determine what those problems are and what the future holds for the liberal world order.

I offer three main arguments. First, given how interconnected states are in the modern world, it is essential to have an international order or what I call bounded orders to help states interact with each other in efficient and timely ways. The key question, however, is what kinds of order are possible and when is each likely to emerge?

Second, there are important differences between the American-led Cold War order and the ensuing post-Cold War order. The US-led order during the Cold War was neither international nor liberal. It was a bounded order that was limited mainly to the West and was built on a realist foundation. The post-Cold War order, on the other hand, is international and liberal, which is not to say it has been fully realized in every nook and cranny of the planet.

Third, that liberal international order contains the seeds of its own destruction, which is one reason it is in deep trouble today and cannot be repaired. There is an additional reason that order is doomed: China's rise and the resurrection of Russian power is likely to lead to a realist international order principally concerned with managing the world economy, as well as American-led and Chinese-led bounded orders that are mainly concerned with security issues.

To understand what is happening to the liberal international order and where it is headed, it is essential to address six questions. First, what is a liberal international order? What are its distinguishing characteristics? Second, what are the other kinds of international orders, and what explains when you get a liberal international order instead of the alternatives? Third, what role do orders play in international politics? Why are they important? Fourth, what is the history of the liberal world order? When did it get started

and what has been its trajectory over time? Fifth, why is that liberal order under threat today? Sixth, what is its future?

## II. Defining the Liberal International Order

The best way to grasp the essence of a liberal international order is to define each word in that term.

An *order* is a cluster of international institutions that help govern the interactions among the member states.<sup>1</sup> Institutions are effectively rules that states themselves devise and agree to follow, because they believe that obeying those rules is in their interest. The rules prescribe acceptable kinds of behavior and proscribe unacceptable forms of behavior.<sup>2</sup> The great powers write those rules, and unsurprisingly, they write them to suit their own interests. Nevertheless, those rules usually work to the benefit of the less powerful states in the system. But when the rules do not accord with the vital interests of the dominant states, they either ignore them or try to rewrite them.

An order can include different kinds of institutions, to include security institutions like NATO, SEATO, or the Warsaw Pact, as well as economic institutions like the IMF, NAFTA, the OECD, and the World Bank. It can also include institutions dealing with the environment, like the Paris Climate Agreement, and more multifaceted institutions like the European Union, the League of Nations, and the United Nations.

Order does not mean peace or stability in my lexicon. In other words, it is not the opposite of disorder as that term is sometimes used to convey chaos and conflict. Nevertheless, it is widely believed in the West that a well-established liberal world order will facilitate peace. Nor is order a word that simply reflects the balance of power in a particular region or among the great powers. The international order and the global balance of power are distinct entities, although they are related, as discussed below.

For an order to be *international*, it must include at least all of the world's great powers. Ideally, an international order would be even more inclusive and contain virtually every country in the system. In contrast, *bounded orders* are comprised of a set of institutions that have limited membership. They do not include all of the great powers and they are usually regional in scope. They sometimes do not include a great power, but usually do. It is possible to have bounded and international orders operating at the same time, as will become clear in the subsequent discussion.

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<sup>1</sup> This definition of an international order is consistent with how other scholars define the term. See, for example, Hal Brands, *American Grand Strategy and the Liberal Order: Continuity, Change, and Options for the Future* (Santa Monica, CA: RAND Corporation, 2016), p. 2; G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton, NJ: Princeton University Press, 2001), pp. 23, 45.

<sup>2</sup> For my views on international institutions, see John J. Mearsheimer, The False Promise of International Institutions, *International Security*, Vol. 19, No. 3 (Winter 1994/1995), pp. 5-49.

For an order to be *liberal*, there must be a dominant state in the system that is a liberal democracy, and has huge influence within the key institutions that comprise the order. There must also be a substantial number of other liberal democracies in the system and a largely open world economy. The ultimate goal of these liberal democracies, especially the leading one, is to spread democracy all over the planet, while promoting increased economic intercourse among countries, and building increasingly effective international institutions. In essence the aim is to create a robust world order that is comprised exclusively of liberal democracies that are deeply engaged economically with each other. The underlying assumption, of course, is that such an order will be largely free of war and generate prosperity for all of its member states.<sup>3</sup>

### III. Alternative International Orders

Of course, not all international orders are liberal. It makes good sense, therefore, to describe the alternative orders and explain the circumstances under which each type is likely to appear. At the most general level, there are three kinds of international orders: *agnostic*, *ideological* (to include liberal), and *realist*. Which of these three orders takes hold depends on the distribution of power among the great powers and the political ideology of the dominant state.

If the system is either bipolar or multipolar, the international order will be realist. The reason is simple: if there are two or more great powers in the world, they have little choice but to act according to realist dictates and engage in security competition with each other, which means there would be little hope of building a liberal international order. Ideological considerations, after all, would be subordinated to security considerations. That would be true even if all the great powers were liberal states. Furthermore, any bounded order dominated by a great power in either a bipolar or multipolar world would be realist at its core, as that great power would be mainly motivated by the imperatives of security competition, which would be reflected in the rules it wrote for that bounded order.

If the world is unipolar, the international order cannot be realist, because there is only one great power in the system, and thus by definition there cannot be security competition among great powers, which is the essential underpinning of any realist world order. In unipolarity, the international order would be either agnostic or ideological, depending on the political ideology of the sole pole.

If the lone great power has a universalistic ideology – one which assumes that its core values and its political system should be exported to other countries – the end result would be an ideological world order. The sole pole, in other words, would try to spread its ideology far and wide and remake the world in its own image. It is well positioned to pursue that mission, because it does not have to compete with rival great powers, as there

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<sup>3</sup> John J. Mearsheimer, *The Great Delusion: Liberal Dreams and International Realities* (New Haven, CT: Yale University Press, 2018).

are none. Liberalism, of course, has a powerful universalistic strand baked into it. That universalism stems from liberalism's emphasis on the importance of individual rights. The liberal story, which is individualistic at its core, maintains that every person has a set of inalienable or natural rights. In effect, that means liberals are deeply concerned about the rights of all people in the world.

Communism is another example of a universalistic ideology that is likely to cause states to attempt to transform the world. Indeed, Marxism shares some similarities with liberalism. As John Gray puts it: "Both were enlightened ideologies that look forward to universal civilization."<sup>4</sup> Class analysis is the driving force behind the universalism in communism. Marx and his followers maintain that social classes transcend national groups and state borders. Most importantly, they argue that capitalist exploitation has helped foster a powerful bond among the working classes in different countries. Hence, if the Soviet Union had won the Cold War and had the kind of enthusiasm for communism in 1989 that the United States had for liberal democracy, Soviet leaders surely would have tried to build a communist world order.

If the unipole does not have a universalistic ideology, and thus is not committed to imposing its own political values and governing system on other countries, the international order would be agnostic. The dominant power would still target regimes that challenged its authority and would still be deeply involved in managing the institutions that comprise the international order as well as shaping the world economy to suit its own interests. But it would not be committed to doing regime change on a global scale. It is also possible that a great power with a universalistic ideology might fail in its attempt to remake the world in its own image and abandon that enterprise, in which case the order would become agnostic. If China, with its present political system, were to become a unipole in 2050, the international system would be agnostic, as China is not consumed with a universalistic ideology.

#### **IV. Why Orders Are Necessary**

There are two reasons why orders – be they bounded or international – are indispensable in the contemporary international system. For starters, they are essential for managing inter-state relations in a highly interdependent world. There is an enormous amount of economic intercourse among countries, which calls for institutions and rules that can regulate those interactions and make them work smoothly. But that interdependence is not restricted to economic affairs; it also includes environmental and health issues. Pollution in one country, for example, invariably affects the environment in neighboring countries, while the effects of global warming are universal and can only be dealt with through multilateral measures. Moreover, deadly diseases do not need passports to cross international boundaries, as the lethal influenza pandemic of 1918-1920 made clear.

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<sup>4</sup> John Gray, *Black Mass: Apocalyptic Religion and the Death of Utopia* (New York: Farrar, Straus and Giroux, 2007), p. 30.

States are oftentimes interconnected in the military realm as well, especially with alliances. To present an adversary with a formidable deterrent posture or to fight effectively if deterrence breaks down, allies benefit greatly from having clear rules that stipulate not only how each member's military will operate, but also how they will coordinate with each other. The need for coordination is magnified by the fact that modern militaries possess a vast array of weapons, not all of which are compatible with their allies' weaponry. Think about the wide variety of weapons in the militaries that comprised NATO and the Warsaw Pact, not to mention the difficulty of coordinating the movements of the various fighting forces inside those alliances. It is unsurprising that both superpowers maintained heavily institutionalized military alliances in Europe during the Cold War.

It is important to emphasize that the institutions that comprise an order do not have the ability to coerce powerful states to obey the rules if those states believe that doing so is not in their national interest. Thus, it makes little sense to argue that either a bounded or an international order is an actual form of governance, because that terminology implies there is a sovereign governing authority with powers of enforcement, which is not the case, certainly with regard to the great powers.

Still, there is no question that the rules, which are the essence of any institution, help manage the behavior of states, and that great powers obey the rules most of the time. The bottom line is that in a world of multi-faceted interdependence, you need a system of rules to lower transaction costs and help carry out the multitude of interactions that take place among states.<sup>5</sup> Admiral Harry Harris, the former commander of U.S. military forces in the Pacific, captures this point when he refers to today's liberal international order as the "Global Operating System."<sup>6</sup>

The institutions that comprise an order serve a second purpose: they help the great powers to shape the behavior of the weaker states in ways that suit the great powers' interests.<sup>7</sup> Specifically, the most powerful states design institutions to constrain the actions of less powerful states and then put significant pressure on them to join those institutions and obey the rules no matter what.

A good example of this phenomenon is the superpowers' efforts during the Cold War to build a non-proliferation regime. Toward that end, the Soviet Union and the United States devised the NPT (1968), which effectively made it illegal for any member state that did not have nuclear weapons to acquire them. Naturally, the leadership in Moscow and Washington went to great lengths to get every state in the world to join the NPT. The

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<sup>5</sup> Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984)

<sup>6</sup> Statement of Admiral Harry B. Harris, Jr., Commander of U.S. Pacific Command, before the Armed Services Committee of the U.S. House of Representatives, April 26, 2017, p. 1.

<sup>7</sup> Lloyd Gruber, *Ruling the World: Power Politics and the Rise of Supranational Institutions* (Princeton, NJ: Princeton University Press, 2000).

superpowers were also the main driving force behind the formation of the Nuclear Suppliers Group (1974), which aimed to place significant limits on the sale of nuclear materials and technologies to countries that did not possess nuclear weapons, but might attempt to acquire them.

Finally, one can discriminate among orders on the basis of whether they have a significant impact on the most important areas of state activity, which are those concerning wealth generation and security. The focus here is not on how effective particular orders are at achieving specific outcomes, but instead on whether they have a wide-ranging impact on the member states' behavior in the economic and military realms. A *full-scale order* is comprised of institutions that have a significant influence in both of those realms, while a *partial order* has a marked impact on either the economic or security spheres, but not both. A *sparse order* has limited influence in both of those critical realms.

## **V. The Cold War Orders**

The roots of the contemporary liberal international order can be traced back to the Cold War. The global distribution of power between 1945 and 1989 was bipolar, which led to the formation of three principal political orders. There was an overarching international order that was largely created and maintained by the Soviet Union and the United States, the two most powerful states to emerge from World War II. There were also two bounded orders, one largely confined to the West and dominated by Washington, the other comprised mainly of the world's communist countries and dominated by Moscow. All of these orders were built on a realist foundation.

The international order that existed during the Cold War was not liberal, because the superpowers that were principally responsible for creating it were deeply engaged in an intense security competition from the start of that conflict to its finish. Thus, balance-of-power politics shaped that order in profound ways. Of course, the Soviet Union was not a liberal democracy, and indeed Moscow and Washington were mortal ideological enemies. But even if both countries had been liberal democracies, the international order would still have been realist.

It was also a sparse world order, as it did not have a marked influence on the behavior of states in either the economic or security realms. Because there was not much economic intercourse between the West and the communist world during the Cold War, there was little need to build formidable institutions to help manage economic dealings between the rival blocs. The security side of the story was somewhat more complicated, however. Given that the Soviet Union and the United States were adversaries that competed with each other for power, they concentrated on building formidable bounded orders to wage that struggle. In other words, the main security institutions that each superpower created were not international in scope. Think NATO and the Warsaw Pact, which were the core security institutions in the Western and communist orders, respectively.

Nevertheless, the Soviets and the Americans sometimes had good reasons to cooperate with each other on security matters and devise international institutions that could serve

each side's interests. During the second half of the Cold War, they worked together to produce arms control agreements that were designed to: check nuclear proliferation; and put some limits on their own arms race. In the process, Moscow and Washington helped strengthen the Cold War international order, although it still remained a sparse order.

Both superpowers were opposed to further proliferation as soon as they acquired the bomb. Although the United States tested the first atomic weapon in 1945 and the Soviets soon followed suit in 1949, it was not until the mid-1970s that those rivals put in place a set of institutions that could seriously slow down the spread of nuclear weapons.<sup>8</sup> The first small step forward was the creation of the International Atomic Energy Agency in 1957. Its primary mission is to promote the civilian use of nuclear energy while applying safeguards that ensure states receiving nuclear materials and technologies for peaceful purposes do not use them to build a bomb. But the key institutions the superpowers devised to curb proliferation are the NPT (1968) and the NSG (1974), which markedly slowed down the spread of nuclear weapons in the latter part of the Cold War.

The Americans and the Soviets also began pursuing an arms control agreement in the late 1960s that would put some limits on their strategic nuclear arsenals. The result was the 1972 SALT I Treaty, which capped the number of strategic nuclear weapons each side could deploy (although at very high levels) and also severely restricted the development of anti-ballistic missile (ABM) systems. Moscow and Washington signed the SALT II Treaty in 1979, which put further limits on each side's strategic nuclear arsenals; but neither side ratified it. The superpowers worked on a follow-on agreement called START I during the 1980s, but it was not put into effect until after the Cold War ended. The other significant arms control agreement was the 1988 INF Treaty, which eliminated all short-range and intermediate range missiles from the Soviet and U.S. inventories.

The superpowers negotiated a host of other less significant security agreements and treaties that were also part of the Cold War international order. They include the Antarctic Treaty System (1959), the Partial Test Ban Treaty (1963), the Moscow-Washington Hot Line (1963), the Outer Space Treaty (1967), the Seabed Arms Control Treaty (1971), the U.S.-Soviet Incidents at Sea Agreement (1972), the Conference on Security and Cooperation in Europe (1973), the Biological Weapons Convention (1975); and the Helsinki Accords (1975). There were some agreements, like the UN Convention on Law of the Sea, which was signed in 1982, but not put into effect until 1994, five years after the Cold War ended.

The UN was the most visible institution in the Cold War international order, but it had little influence on the behavior of countries around the world, much less the superpowers' actions.

In addition to this sparse international order, each superpower built a bounded order that was full-scale and realist. The Soviet-led communist order, which was built primarily to wage the Cold War, included institutions that dealt with economic, military and ideological

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<sup>8</sup> Eliza Gheorghe, "Proliferation and the Logic of the Nuclear Marketplace," Unpublished Manuscript, Yale University, March 12, 2018.



matters. Comecon was established in 1949 mainly to facilitate trade between the Soviet Union and the communist states in Eastern Europe. The Warsaw Pact was a military alliance founded in 1955 to counter NATO in the wake of its decision to make West Germany a member. It also served another purpose: to help the Soviets keep their Eastern European allies in line. Finally, Moscow created Cominform in 1947 as a successor to Comintern. Both were designed to coordinate the efforts of communist parties around the world, mainly for the purpose of allowing the Soviets to purvey their policy views to their ideological brethren. Cominform was dissolved in 1956.

The bounded Western order was dominated by the United States, which shaped it to suit its own interests. It encompassed a host of economic institutions like the IMF (1945), the World Bank (1945), GATT (1947), CoCom (1950), and the European Community (1957), as well as NATO on the security front. Although liberal democratic America dominated this bounded order, which also included a number of other liberal democracies, it was a realist order at its core. Its principal mission was to create a powerful West that could contain and ultimately defeat the Soviet Union and its allies.<sup>9</sup> This is not to deny that generating prosperity was an important end in itself for this bounded order. Nor is to deny that the United States was committed to economic openness and *ceteris paribus* preferred dealing with democracies to authoritarian states. But building institutions and encouraging trade and investment were consistent with a realist agenda, and promoting democracy, however desirable a goal, always took a back seat when it conflicted with the dictates of balance-of-power politics.

## VI. The Liberal International Order

After the Cold War ended and the Soviet Union collapsed, the United States was by far the most powerful country in the world. The “unipolar moment” had arrived.<sup>10</sup> Moreover, the deeply rooted and full-scale Western order that American policymakers had created to deal with the Soviet threat remained firmly intact, while its rival communist order quickly fell apart. Comecon dissolved in June 1991, the Warsaw Pact in July 1991, and the Soviet Union itself in December 1991. Unsurprisingly, President George H.W. Bush and his advisors

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<sup>9</sup> The rationale for founding the European Community (EC), the forerunner of the EU, shows the realist roots of the Western order. Although many believe that economic factors were the main reason for creating the EC, in fact, strategic calculations involving the Soviet threat, were the principal driving force. See Sebastian Rosato, *Europe United: Power Politics and the Making of the European Community* (Ithaca, NY: Cornell University Press, 2011).

<sup>10</sup> Most foreign policy analysts and scholars believe the international system has been unipolar since the Cold War ended, and the United States is the sole pole. The other states are either major or minor powers, but not great powers. See Nuno P. Monteiro, *Theory of Unipolar Politics* (New York: Cambridge University Press, 2014). In contrast, I believe the world has been multipolar, as China and Russia are also great powers. John J. Mearsheimer, *The Tragedy of Great Power Politics*, updated ed. (New York: Norton, 2014). There is no question, however, that the United States is far more powerful than those other two great powers. Indeed, it is the only superpower among the three, making this a clear-cut case of unbalanced multipolarity. Thus, there is little daylight between my view of the global balance of power and those who see unipolarity. Given this fact, coupled with how the popular lexicon has evolved, I use the term unipolarity, not unbalanced multipolarity, to describe the architecture of the system since 1989.

decided to take the realist Western order and spread it across the planet, transforming it in the process into a liberal international order. This endeavor enjoyed the enthusiastic support of the liberal democracies in Western Europe and East Asia, although there was never any doubt that the United States would be in the driver's seat. As Bush put it in 1990, "there is no substitute for American leadership."<sup>11</sup> Or as President Clinton and his Secretary of State, Madeleine Albright, liked to say, the United States is "the indispensable nation."<sup>12</sup>

Those institutions that had been the key elements of the Cold War international order – the UN and the various arms control agreements – would be integrated into what Bush called the "new world order." He first laid out his vision before a joint session of Congress on September 11, 1990. The president, who had just returned from a fruitful meeting with Soviet President Mikhail Gorbachev, was actually addressing Congress about how the United States would deal with Iraq's conquest of Kuwait one month earlier:

Clearly, no longer can a dictator count on East-West confrontation to stymie concerted United Nations action against aggression. A new partnership of nations has begun. We stand today at a unique and extraordinary moment. The crisis in the Persian Gulf, as grave as it is, also offers a rare opportunity to move toward an historic period of cooperation. Out of these troubled times ... a new world order can emerge: a new era – freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. An era in which the nations of the world, East and West, North and South, can prosper and live in harmony. A hundred generations have searched for this elusive path to peace, while a thousand wars raged across the span of human endeavor. Today that new world is struggling to be born, a world quite different from the one we've known. A world where the rule of law supplants the rule of the jungle. A world in which nations recognize the shared responsibility for freedom and justice. A world where the strong respect the rights of the weak. This is the vision that I shared with President Gorbachev in Helsinki. He and other leaders from Europe, the Gulf, and around the world understand that how we manage this crisis today could shape the future for generations to come.<sup>13</sup>

Bush and his successors in the White House were bent on pursuing a remarkably ambitious task: creating a new international order that was fundamentally different from the Western order that existed during the Cold War.<sup>14</sup> In short, they were determined to transform a bounded and realist order into an international and liberal one. Moreover, they aimed to

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<sup>11</sup> President George H. W. Bush, Address Before a Joint Session of the Congress on the Persian Gulf Crisis and the Federal Budget Deficit, September 11, 1990, <http://www.presidency.ucsb.edu/ws/?pid=18820>.

<sup>12</sup> Albright made this statement on NBC's *Today* show on February 19, 1998.

<sup>13</sup> Bush, September 11, 1990 speech.

<sup>14</sup> When Bill Clinton became president in 1993, he maintained that his predecessor's concept of a new world order was not ambitious enough. See David C. Hendrickson, "The Recovery of Internationalism," *Foreign Affairs*, Vol. 75, No. 5 (September/October 1994), pp. 26-43. \*

make sure that it was a full-scale international order, **like** [?] the Western order that would be its foundation.

Creating a liberal international order involved three main tasks. First, it was essential to expand the membership in the institutions that comprised the Western order, as well as create new institutions where necessary. In other words, it was essential to create a web of international institutions with universal membership. Second, it was imperative to integrate countries all around the world into the open economic order that the United States and its allies built during the Cold War, and indeed make that order even more open. That goal, of course, dovetailed with the first goal, since many international institutions deal with economic affairs. Third, it was crucial to vigorously promote liberal democracy around the world, a mission that was frequently shortchanged when the United States was competing for power with the Soviet Union.

These three tasks, of course, are directly tied to the principal liberal theories of peace: liberal institutionalism, economic interdependence theory, and democratic peace theory. Thus, in the minds of its architects, constructing a robust and sustainable liberal international order was synonymous with creating a peaceful world. This deep-seated belief gave the United States and its allies a powerful incentive to work overtime to create that new order. Integrating China and Russia into it was especially important for its success, because they were the two most powerful states in the system besides the United States. The aim was to embed them in as many institutions as possible, fully integrate them into the open international economy, and help turn them into liberal democracies.

NATO expansion into Eastern Europe is a good example of the United States and its allies working to turn the bounded Western order into a liberal international order. One might think that moving NATO eastward was part of a classic deterrence strategy aimed at containing a potentially aggressive Russia.<sup>15</sup> But it was not, as the West's strategy was based mainly on liberal principles. The aim was to integrate the countries of Eastern Europe – and possibly Russia as well – into the “security community” that had developed in Western Europe during the Cold War. Its chief architects did not think Moscow was a threat to invade its neighbors that needed to be contained, or that Russian leaders would see NATO enlargement as threatening.<sup>16</sup>

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<sup>15</sup> This is an argument that some analysts made after the Ukraine crisis broke out in February 2014. Stephen Sestanovich, for example, claims that “today’s aggressive Russian policy was in place” in the early 1990s and “power calculations undergirded” American policy toward Russia – to include NATO expansion – from that point forward. Stephen Sestanovich, “How the West Has Won,” *Foreign Affairs*, Vol. 93, No. 6 (November/December 2014), pp. 171, 173. NATO enlargement, from this perspective, is a realist policy. The available evidence, however, contradicts this interpretation of events. Russia was in no position to take the offensive in the 1990s, and although its economy and military improved somewhat after 2000, hardly anyone in the West saw it as a serious threat to invade its neighbors – especially Ukraine – before the February 22 crisis. In fact, Russia had hardly any large-scale combat units on or near its western border, and no serious Russian policymaker or pundit talked about conquering territory in Eastern Europe. Thus, it is unsurprising that U.S. leaders rarely invoked the threat of Russian aggression to justify NATO expansion.

<sup>16</sup> Ikenberry, *After Victory*, pp. 235-39, 245-46, 270-73.

This liberal approach to NATO expansion is reflected in how the Clinton administration sold that policy. For example, Deputy Secretary of State Strobe Talbott argued in 1995 that embedding the countries of Eastern Europe in NATO – as well as the European Union – was the key to producing stability in that potentially volatile region. “Enlargement of NATO would be a force for the rule of law both within Europe’s new democracies and among them.” Moreover, it would “promote and consolidate democratic and freemarket values,” which would further contribute to peace.<sup>17</sup>

How the United States has dealt with a China in the post-Cold War years is based on essentially that same liberal logic. For example, Clinton’s Secretary of State, Madeleine Albright, maintained that the key to sustaining peaceful relations with a rising China is to engage with it, not try to contain it the way the United States dealt with the Soviet Union during the Cold War. Engagement would lead to China’s active membership in some of the world’s major institutions and also help integrate it into the American-led economic order, which would inexorably help turn China into a liberal democracy. China would then be a “responsible stakeholder” in the international system, highly motivated to maintain peaceful relations with other countries.<sup>18</sup>

The Bush Doctrine, which was developed over the course of 2002 and used to justify the March 2003 invasion of Iraq, is a third example of the United States seeking to build a liberal international order. In the wake of September 11, the Bush administration concluded that winning the so-called “global war on terror” not only required defeating al Qaeda, but also confronting countries like Iran, Iraq, and Syria. The key operating assumption was that the regimes in these so-called “rogue states” were closely tied to terrorist organizations like al Qaeda, were bent on acquiring nuclear weapons, and might even give them to terrorists.<sup>19</sup> The best way to deal with proliferation and terrorism, the

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<sup>17</sup> Strobe Talbott, “Why NATO Should Grow,” *New York Review of Books*, August 10, 1995. Talbott’s views on NATO expansion were widely shared in the upper echelons of the Clinton administration. See Secretary of State Warren Christopher, “Reinforcing NATO’s Strength in the West and Deepening Cooperation with the East,” Opening Statement at the North Atlantic Council Ministerial Meeting, Noordwijk, Netherlands, May 30, 1995; Secretary of State Madeleine Albright, “A Presidential Tribute to Gerald Ford,” Ford Museum Auditorium, Grand Rapids, Michigan, April 17, 1997; Secretary of State Madeleine Albright, Commencement Address, Harvard University, June 5, 1997.

<sup>18</sup> Secretary of State Madeleine Albright, “American Principle and Purpose in East Asia,” 1997 Forrester Lecture, U.S. Naval Academy, Annapolis, Maryland, April 15, 1997. Also see Secretary of State Warren Christopher, “America and the Asia-Pacific Future,” Address to the Asia Society, New York City, May 27, 1994; “A National Security Strategy of Engagement and Enlargement,” The White House, February 1995, pp. 28-29; “A National Security Strategy for a New Century,” White House, October 1998, pp. 41-47. Deputy Secretary of State Robert Zoellick first introduced the term “responsible stakeholder” in 2005. Zoellick, “Whither China? From Membership to Responsibility,” remarks to the National Committee on U.S.-China Relations, New York City, September 21, 2005.

<sup>19</sup> President Bush said shortly before the invasion of Iraq in March 2003 that “the greatest danger in the war on terror [is] outlaw regimes arming with weapons of mass destruction.” President George W. Bush, Speech at AEI’s Annual Dinner, February 28, 2003. On the Bush Doctrine see, *The National Security Strategy of the United States*, (Washington, DC: The White House, September 17, 2002)

Bush administration reasoned, was to turn all the countries in the Greater Middle East into liberal democracies, which would transform that region into a giant zone of peace, taking those twin problems off the table.<sup>20</sup> “The world has a clear interest in the spread of democratic values,” President Bush said, “because stable and free nations do not breed the ideologies of murder. They encourage the peaceful pursuit of a better life.”<sup>21</sup>

It appeared to many observers in the early 1990s that the United States was well situated to construct a liberal international order. It had abundant experience building and running the Western order during the Cold War, and it was also remarkably powerful compared to its potential rivals. China was then in the early stages of its rise and Russia was in a state of complete disarray, which remained the case throughout the 1990s. This huge power advantage meant that the unipole could largely ignore realist dictates and act according to liberal principles, which was impossible during the Cold War. Furthermore, this power advantage could be used to coax or coerce other states into following Washington’s edicts. If necessary, there was always the possibility the United States would use force to get its way.

Finally, the United States and its allies had abundant legitimacy in the years immediately after the Cold War ended. Not only did they win that protracted conflict, but also there did not seem to be a viable alternative to liberal democracy, which looked like the optimal political order for the foreseeable future. It was widely believed at the time that eventually almost every country in the world would become a liberal democracy, which led Francis Fukuyama to conclude that this might be “the end of history.”<sup>22</sup> In essence, it looked like the United States had the wind at its back and was free to pursue liberal hegemony, a foreign policy that called for building a world order based on liberal principles.<sup>23</sup>

During the 1990s and the early 2000s, the United States and its close allies appeared to be well on their way to fashioning a full-scale liberal international order. There were some problems for sure, but generally speaking the emerging order was working well. Few people expected that it would begin unraveling a few years into the new millennium, but that is what happened.

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<sup>20</sup> One might think that NATO expansion; American efforts to turn China into a liberal democracy; and the Bush Doctrine are actually evidence of untethered realism, which was made possible by the coming of unipolarity. But this conclusion would be wrong. It is clear from the discourse in policy circles and within the foreign policy establishment that these policies and others were motivated by liberal theories and that the United States and its allies in the West were firmly committed to building a liberal world order that would transcend balance-of-power politics. Almost all realists, it is worth noting, opposed NATO expansion, the Iraq War, and the Bush Doctrine. Moreover, they favored emphasizing containment over engagement in dealing with China. If the United States had been guided by realist logic in the aftermath of the Cold War, it would have sought to create an agnostic international order and pursued the policies pushed by realists.

<sup>21</sup> Bush, Speech at AEI’s Annual Dinner.

<sup>22</sup> Francis Fukuyama, “The End of History?,” *National Interest*, No. 16 (Summer 1989), pp. 3–18.

<sup>23</sup> Mearsheimer, *The Great Delusion*.

## VII. The Golden Years

The United States and its allies did a good job of integrating China and Russia into the world's key economic institutions in the decade or so after the Cold War ended. Russia joined the IMF and the World Bank in June 1992, although it did not join the WTO until August 2012. China had been a member of the IMF and the World Bank since April 1980, when it took Taiwan's place in those institutions. China joined the WTO in December 2001. Although there was a minor crisis over Taiwan in 1997, Sino-American relations were otherwise good throughout the 1990s and early 2000s. Engagement appeared to be working. Relations between Moscow and Washington also fared well during this period.

The story in Europe was positive as well. The Maastricht Treaty (1992) was a major step forward in promoting European integration, and then in 1999 the euro made its debut, which was widely seen as evidence that the EU had a bright future. Furthermore, there were hardly any problems with the early waves of EU and NATO expansion into Eastern Europe, although the Russians made their opposition clear. Finally both Czechoslovakia and the Soviet Union broke apart peacefully. Yugoslavia did not, however, leading to wars over Bosnia and Kosovo, which the United States and its NATO allies were slow to shut down. But a cold peace was finally imposed on the Balkans in 1999.

The story was more mixed in the Greater Middle East, but even there it appeared that the region was slowly but steadily being incorporated into the liberal international order. Israel and the PLO signed the Oslo Accords in September 1993, giving hope that the two sides might find a peaceful solution to their conflict by the end of the decade. The United States, operating with a UN Security Council mandate, led a broad coalition of allies to a stunning military victory over Iraq in early 1991 – liberating Kuwait, seriously weakening Iraq's military, and exposing its secret nuclear weapons program, which was then shut down. Nevertheless, Saddam Hussein remained in power. Afghanistan also remained a trouble spot, mainly because the Taliban allowed al Qaeda to operate there, which led to 9/11. The events of that day, however, prompted the United States to invade Afghanistan in October 2001 and topple the Taliban from power, putting in its place a pro-Western regime. Then in March 2003, the American military conquered Iraq and toppled Saddam from power. It appeared by the summer of 2003 that the Bush Doctrine, which aimed to spread democracy across the Greater Middle East, was going to work as intended.

Democracy was clearly on the march in the wake of the Cold War, seemingly confirming Fukuyama's claim that there was no viable alternative to it. According to Freedom House, 34 percent of the countries in the world were democracies in 1986. That number jumped to 41 percent by 1996 and then 47 percent by 2006.<sup>24</sup> Despite occasional turmoil in particular regions, the international economy was humming along in the 1990s and early 2000s. Plus, there was growing interest in prosecuting human rights violators, leading a prominent scholar to write a book titled *The Justice Cascade: How Human Rights*

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<sup>24</sup> Arch Puddington and Tyler Roylance, "Populists and Autocrats: The Dual Threat to Global Democracy," in *Freedom in the World, 2017* (Washington, DC: Freedom House, 2017), p. 4.

*Prosecutions Are Changing World Politics.*<sup>25</sup> On the proliferation front, South Africa abandoned its nuclear weapons program in 1989, while Belarus, Kazakhstan, and Ukraine gave up the nuclear arsenals they inherited from the Soviet Union. North Korea, which was on its way to developing nuclear weapons in the early 1990s, agreed to terminate its program in 1994.

The United States and its allies did face some setbacks in the course of the 1990s. India and Pakistan tested nuclear weapons in 1998, and the United States suffered defeats in Haiti (1994-95) and Somalia (1993), not to mention that the Clinton administration reacted much too slowly to the Rwandan genocide in 1994. It also failed to shut down deadly wars in Congo and Sudan, while al Qaeda grew more dangerous in the confines of Afghanistan. Still, one could make a strong case that enormous progress had been made in a short time in spreading the liberal international order across the globe and that the United States and its allies would eventually be able to integrate troubled countries in Africa and elsewhere into the new order and make further strides in rolling back proliferation.

### **VIII. The Liberal World Order Goes South**

Midway through the first decade of the 2000s, serious cracks began to appear in the liberal international order, which have widened since then. Consider what has happened in the Greater Middle East. By 2005, it was apparent that the Iraq war was turning into a disaster, and the United States had no strategy for stopping the fighting, much less turning Iraq into a liberal democracy. At the same time, the situation in Afghanistan began to deteriorate as the Taliban came back from the dead and began to challenge the American-installed government in Kabul. The Taliban has grown stronger with time and the Afghanistan war is now the longest war in US history, and there is still no end in sight. The United States and its allies also pursued regime change in Libya and Syria, which ended up helping to precipitate deadly civil wars in both countries. Furthermore, in the process of helping to wreck Iraq and Syria, the Bush and Obama administrations played a central role in creating ISIS, which the United States went to war against in 2014.

The Oslo Peace Process, which once seemed so promising, has failed completely and there is virtually no hope of settling the Israeli-Palestinian conflict in the foreseeable future. Indeed, Israel, with help from Washington, has turned itself into an apartheid state. The United States is also contributing to the ongoing murder and mayhem in Yemen, and it gave its consent when a democratically elected government was overthrown in Egypt in 2013. Far from incorporating the Greater Middle East into the liberal international order, the United States and its allies have played a key role in spreading illiberal disorder in that region.

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<sup>25</sup> Kathryn Sikkink, *The Justice Cascade: How Human Rights Prosecutions Are Changing World Politics* (New York: Norton, 2011). Also see Sarah B. Snyder, *From Selma to Moscow: How Human Rights Activists Transformed U.S. Foreign Policy* (NY: Columbia University Press, 2018).

Europe, which appeared to be the brightest star in the liberal international galaxy during the 1990s, is in serious trouble today. The EU suffered a major setback in 2005 when French and Dutch voters rejected the proposed Treaty for Establishing a Constitution for Europe. Even more damaging was the Eurozone crisis, which began in late 2009 and lingers on today. Not only has it exposed the fragility of the euro, but it has also created intense animosity between Germany and Greece.<sup>26</sup> To make matters worse, Britain decided in June 2016 to exit the EU, while xenophobic right wing parties are growing more powerful all across Europe. Indeed, fundamentally illiberal views are commonplace among leaders in Eastern Europe. As a January 2018 article in the *New York Times* put it: “The Czech president has called Muslim immigrants criminals. The head of Poland’s governing party has said refugees are riddled with disease. The leader of Hungary has described migrants as poison ... [and] Austria’s new far-right interior minister suggested concentrating migrants in asylum centers – with all its obvious and odious echoes of World War II.”<sup>27</sup>

Finally, there is a civil war raging in Eastern Ukraine that involves Russia, which seized Crimea from Ukraine in March 2014, causing a serious deterioration in relations between Russia and the West. Both sides have significantly increased their force levels in Eastern Europe and routinely run military exercises that escalate tensions between them. This crisis, which was largely the result of EU and NATO expansion, coupled with the West’s efforts to promote democracy in countries like Georgia and Ukraine, and maybe even Russia itself, shows no signs of ending anytime soon.<sup>28</sup> Given this state of affairs, Moscow has powerful incentives to sow discord in the West and weaken institutions like the EU and NATO.

Cracks have also opened up in the trans-Atlantic relationship, especially with Donald Trump’s arrival in the White House. He tends to be contemptuous of almost all the institutions that comprise the liberal international order, and that includes both the EU and NATO, which he famously said was “obsolete” during the 2016 campaign. In a letter sent to European leaders shortly after Trump assumed office, a leading EU policymaker said that the new president posed a serious threat to the EU’s future.<sup>29</sup> A few months later, German Chancellor Angela Merkel who is a deeply committed Atlanticist, warned that Europe

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<sup>26</sup> Claudia Sternberg, Kira Gartzou-Katsouyanni, and Kalypso Nicolaidis, *The Greco-German Affair in the Euro Crisis: Mutual Recognition Lost?* (London: Palgrave Macmillan, 2018).

<sup>27</sup> Patrick Kingsley, “Trump’s Immigration Remarks Outrage Many, but Others Quietly Agree,” *New York Times*, January 12, 2018.

<sup>28</sup> John J. Mearsheimer, “Why the Ukraine Crisis Is the West’s Fault,” *Foreign Affairs*, Vol. 93, No. 5 (September/October 2014), pp. 77–89; John J. Mearsheimer, “Moscow’s Choice,” *Foreign Affairs*, Vol. 93, No. 6 (November/December 2014), pp. 175–78.

<sup>29</sup> James Kanter, “Trump Threatens Europe’s Stability, A Top Leader Warns,” *New York Times*, January 31, 2017.



cannot depend on the United States like it once did and thus Europeans “really must take our fate into our own hands.”<sup>30</sup>

The 2008 global financial crisis not only did enormous damage to peoples’ lives, but it also called into question the competence of the elites who manage the liberal international order.<sup>31</sup> In addition to the deterioration in relations between Russia and the West, there are worrying signs of potential conflict with China, which is determined to change the status quo regarding: the East China Sea, the South China Sea, Taiwan, and its border with India. Unsurprisingly, the United States is now more interested in containing rather than engaging China. In fact, the Trump administration has recently said that it was a mistake to admit China into the WTO, as its protectionist policies make it clear that Beijing is unwilling to play by that institution’s rules.<sup>32</sup>

Finally, the number of liberal democracies has been declining over the past decade, reversing a trend that once looked unstoppable. Relatedly, soft authoritarianism appears to be an attractive alternative to liberal democracy, a development that was almost unthinkable in the early 1990s. And some leaders today extol the virtues of illiberal democracy, while others run countries that are committed to political systems based on deeply held religious beliefs. Of course, liberal democracy has lost some of its appeal in recent years, especially because the American political system often looks dysfunctional. Even serious scholars worry these days about the future of American democracy.<sup>33</sup> In sum, the liberal international order is under siege.

## IX. What Went Wrong

The early successes at building a liberal international order notwithstanding, it contained the seeds of its own destruction. Even if the policymakers at the helm had been wiser stewards of that order, they still could not have lengthened its half-life in any meaningful way. It was doomed to fail because it contained six fatal flaws that undermined its effectiveness.<sup>34</sup>

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<sup>30</sup> Henry Farrell, “Thanks to Trump, Germany Says It Can’t Rely on the United States. What Does That Mean?” *Washington Post*, May 28, 2017.

<sup>31</sup> John Lanchester, “After the Fall,” *London Review of Books*, Vol. 40, No. 13 (July 5, 2018), pp. 3-18; Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World* (New York: Viking, 2018). \*

<sup>32</sup> Shawn Donnan, “US Says China WTO Membership Was a Mistake,” *Financial Times*, January 19, 2018.

<sup>33</sup> William A. Galston, *Anti-Pluralism: The Populist Threat to Liberal Democracy* (New Haven, CT: Yale University Press, 2018); Steven Levitsky and Daniel Ziblatt, *How Democracies Die* (New York: Crown, 2018); Cass R. Sunstein, ed., *Can It Happen Here? Authoritarianism in America* (New York: Dey Street Books, 2018).

<sup>34</sup> Any ideological international order – be it based on liberalism, communism, or any other universal ideology – is destined to have a short life, mainly because of the difficulties of remaking the world in the hegemon’s image, as described below. An agnostic international order – the other possible kind of order in unipolarity – can have significant staying power over the long haul, because the lone pole generally accepts the heterogeneity that is inherent in political and social life in the international system and does not attempt to micro-manage the doings of every country on the planet.

The single most important order of business for building a liberal international order was to spread liberal democracy far and wide, which was initially seen to be an eminently doable task. But the first three of the order's fatal flaws worked together not only to doom that mission, but also to weaken the order in the process.

First, the order was built on the false assumption that politics had evolved to the point by the late twentieth century that there was no viable alternative to liberal democracy. It was not just superior to every other kind of political system, so the argument went, but that fact of life was widely recognized. Thus, it would be relatively easy to create a liberal international order, because spreading liberal democracy around the world would meet little resistance. Indeed, most people would welcome the idea of living in a Western-style democracy, as appeared to be the case in Eastern Europe after the collapse of communism.

This assumption was mistaken, however.<sup>35</sup> There never has been and never will be anything approximating universal agreement on what constitutes the ideal political system. One can argue that liberal democracy is the best form of government (and I would), but others will invariably favor a different political system. It is worth remembering that during the 1930s, many people in Europe preferred communism and fascism to liberal democracy. One might agree, but say that liberal democracy ultimately triumphed over those two isms. While that is true, what happened in the 1930s shows that liberal democracy is not the natural order of things and it is not unusual for elites and their publics to opt for alternative political systems. Thus, it should not be surprising that illiberal democracies have emerged in Eastern Europe, while China and Russia have embraced authoritarian rule, North Korea is a dictatorship, Iran is an Islamic republic, and Israel is a Jewish state. Nor should it be surprising that there has never been a time when more than fifty percent of the countries in the world were liberal democracies.<sup>36</sup>

This diversity of opinion about what constitutes the best governing system means that it going to be extremely difficult to create (and maintain) a world in which all the major powers are liberal democracies, and well neigh impossible to fashion one in which almost all the minor powers as well are liberal democracies. It is impossible, however, to create a liberal international order without at least accomplishing the first of these two tasks. Thus, spreading liberalism is not just going to be a hard sell, it is also going to meet fierce resistance from countries that prefer an alternative political regime.

Second, building a liberal international order invariably leads to wars against minor powers that aim to turn them into liberal democracies. There are significant limits on how much social engineering of this sort great powers can even attempt to do in bipolarity or multipolarity, **mainly** because they are **mainly** focused on competing with each other for influence and power. Spreading liberal democracy is of secondary if not tertiary

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<sup>35</sup> Larry Diamond, Marc F. Plattner, and Christopher Walker, eds., *Authoritarianism Goes Global: The Challenge to Democracy* (Baltimore: Johns Hopkins University Press, 2016).

<sup>36</sup> Puddington and Roylance, "Populists and Autocrats," p. 4. \*

importance. But in unipolarity, the sole pole is free to go on crusades to make the world more democratic, simply because there are no rival great powers to worry about. Thus, it is unsurprising that the United States has fought seven wars in the years since the Cold War ended and has been at war for two out of every three years over that period.<sup>37</sup> Those wars, however, invariably fail to achieve their objective, eroding public support for the order and casting doubt on the competence of its leaders.

The United States has focused most of its efforts since 9/11 at building democracy in the Greater Middle East. But the policy has led to one abject failure after another. Think Afghanistan, Egypt, Iraq, Libya, and Syria.<sup>38</sup> There are a variety of reasons for this dismal record.<sup>39</sup> Large-scale social engineering in any society is difficult, but especially in a foreign country that has just had its political leadership toppled from power and is in turmoil. Furthermore, nationalism is a remarkably powerful force all over the world, which means that minor powers are not going to want a great power telling them what kind of political system is best for them. That reaction is likely to lead to fierce resistance against the sole pole within the target state. Finally, as previously noted, not every country is enamored with liberal democracy, and in those cases, social engineering will be even harder.

Third, the crusader mentality that underpins building a liberal international order also leads to the poisoning of relations between the unipole and any major powers in the system that are not liberal democracies. While the dominant state will be strongly inclined to make war on minor powers to achieve regime change, it will rarely ever attack major powers for that purpose. The costs would be too great and the likelihood of success would be especially low. Thus, American policymakers in the post-Cold War period have never seriously considered invading China or Russia, even though the United States is far more powerful than either of those countries.

Nevertheless, Washington has been seriously committed to turning both China and Russia into liberal democracies and absorbing them into the US-dominated liberal world order. American leaders have not only made their intentions clear, but they have also used NGOs and various subtle strategies to push Beijing and Moscow toward liberal democracy. In

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<sup>37</sup> John Ikenberry maintains that for the United States to sustain a liberal international order, it must pursue a restrained foreign policy. “The more that power peeks out from behind these institutions,” he writes, “the more that power will provoke reaction and resistance.” Ikenberry believes this is not a problem for America, however, because it has a “unique ability to engage in strategic restraint.” Ikenberry, *After Victory*, pp. 270-71. But he is wrong; liberal hegemons like the United States are highly aggressive and have especially ambitious agendas.

<sup>38</sup> The United States invaded Afghanistan in 2001 and Iraq in 2003 to topple the Taliban and Saddam Hussein respectively. It employed U.S. airpower in 2011 to help remove Colonel Muammar Gaddafi from power in Libya. The United States did not use its own military forces to pursue regime change in Egypt and Syria. Starting in 2011, it helped arm and train Syrian rebel groups bent on removing Bashar al-Assad from power. Washington intervened in Egyptian politics in 2013 to help facilitate the overthrow of President Mohamed Morsi, a democratically elected leader, who was replaced by a military dictator, General Abdel Fattah el-Sisi.

<sup>39</sup> Mearsheimer, *The Great Delusion*, chaps. 5-6.

effect, the aim is peaceful regime change. Predictably, China and Russia have resisted the unipole's efforts at regime change for the same reasons that minor powers have contested US efforts to shape their domestic politics, and indeed, for the same reasons that Americans recoil at the idea of Russia – or any other state for that matter – interfering in their country's politics. In a world in which nationalism is the most powerful political ideology, self-determination or sovereignty matters hugely for all countries.

Moreover, China and Russia have resisted full absorption into the liberal world order for realist reasons, as that would allow the United States to dominate the international system economically, militarily, and politically. In particular, neither Beijing nor Moscow wants American military forces in their neighborhood, much less on their borders. Thus, it is hardly surprising that China talks about pushing the US military out of the Western Pacific and Russia has long been deeply opposed to EU and NATO expansion into Eastern Europe, which eventually led to the Ukraine crisis in 2014. That ongoing conflict has not only poisoned relations between Moscow and Washington, but it has incentivized Russia to find ways to weaken both the EU and NATO. In short, both nationalist and realist calculations have caused the two major powers in unipolarity to contest American efforts to spread the liberal international order.

Fourth, building a robust liberal international order causes serious political troubles inside the liberal democracies themselves, because it leads to policies that fly in the face of nationalism, which is a truly formidable adversary. Those problems on the home front, which come in two forms, eventually have a blowback effect on the order itself.

To begin with, liberal states end up delegating more and more authority to the international institutions that comprise the order, which is frequently seen as evidence that they are surrendering sovereignty. One can argue about whether those liberal countries are actually giving up sovereignty, but there is no question they are delegating the authority to make important decisions to those institutions, which is likely to cause serious political trouble in a modern nation-state.<sup>40</sup> After all, nationalism is a political ideology that privileges self-determination and sovereignty, and thus is likely to come into conflict with international institutions that make policies, which decidedly affect their member states.<sup>41</sup> “The cumulative effect of such expansions of international authority,” Jeff Colgan and

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<sup>40</sup> It is often said that EU member states surrender some of their sovereignty to that institution. For example, see Rosato, *Europe United*, p. 30. I disagree. Following in the footsteps of Jean Bodin, Mariya Grinberg and Carl Schmitt, I define sovereignty as the supreme authority to make decisions for a political organization. I believe that sovereigns can delegate the authority to make certain decisions to international institutions without surrendering supreme authority, which is the essence of sovereignty. This process describes what has transpired in the EU. Sovereigns can also take back the authority they have delegated. Moreover, I do not think sovereignty is divisible. Jean Bodin, *On Sovereignty*, trans. and ed. Julian H. Franklin (Cambridge, UK: Cambridge University Press, 1992); Mariya Grinberg, “Indivisible Sovereignty: The Delegation of Authority and Reversibility,” unpublished paper, July 2018; Carl Schmitt, *Political Theology: Four Chapters on the Concept of Sovereignty* (Chicago: University of Chicago Press).

<sup>41</sup> Robert Jackson, *Sovereignty: Evolution of an Idea* (Malden, MA: Polity Press, 2007), chap. 4.

Robert Keohane write, “is to excessively limit sovereignty and give people the sense that foreign forces are controlling their lives.”<sup>42</sup>

The intensity of this problem will depend on how much influence the relevant institution wields over its member states. Of course, the institutions that comprise a liberal order are invariably designed to have a significant effect on their members’ behavior, raising concern about a democratic deficit among their people. There was clear evidence of this phenomenon at play in the Brexit vote. Given the huge impact the EU has on its members’ policies, it is not surprising that one of the principal reasons a majority of British citizens voted for Brexit is because they felt their country had surrendered too much authority to Brussels and it was time to reassert British sovereignty. In particular, there was a widespread feeling that Britain had lost control of its economic policy, and this situation was undermining democratic accountability.<sup>43</sup> EU bureaucrats in Brussels, who were not elected by Britons, were seen by them to be the key architects of British economic policy, and other policies as well. Thus, the authors of an important study on Brexit write: “Regaining sovereignty – taking back control – was a major theme in the 2016 election.”<sup>44</sup>

A similar logic helps explain why Donald Trump was able to capture the White House running on a platform that emphasized “America First” and skewered almost all the key institutions that comprise the liberal international order, including the EU. Britain and the United States, of course, are not just any two states. They are paradigmatic liberal democracies, one of which is largely responsible for creating the liberal world order.

Furthermore, the liberal international order leads to policies that clash with national identity, which remains a remarkably powerful force in countries all around the world, including the United States and Western Europe. At its core, liberalism is an individualistic ideology that places great weight on the concept of inalienable rights. This belief that every individual on the planet has the same set of basic rights is what underpins the universalistic dimension of liberalism. This universalistic or transnational perspective stands in marked contrast to the profound particularism of nationalism, which is built on the belief that the world is organized around discrete nations that have their own culture, and are best served by having their own state so they can survive in the face of threats from the “other.”<sup>45</sup>

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<sup>42</sup> Jeff D. Colgan and Robert O. Keohane, “The Liberal Order Is Rigged: Fix It Now or Watch It Whither,” *Foreign Affairs*, Vol. 96, No. 3 (May/June 2017), p. 42.

<sup>43</sup> Harold D. Clarke, Matthew Goodwin, and Paul Whiteley, *Brexit: Why Britain Voted to Leave the European Union* (New York: Cambridge University Press, 2017), pp. 69-72, 86, 111-15, 141, 166-70, 173.

<sup>44</sup> Clarke et al., *Brexit*, p. 141.

<sup>45</sup> Liberalism also has an important particularist dimension to it, which is more in line with nationalism and which should discourage liberal states from trying to remake the world in their own image. Specifically, liberalism places a high premium on tolerance, mainly because it is based on the assumption that it is impossible to reach universal agreement about first principles. Mearsheimer, *The Great Delusion*, pp. 53-54. Thus, one might expect liberal states to accept the fact that the world is populated by non-liberal states and not try to create a world populated solely by liberal democracies. When it comes to international politics,

Given liberalism's emphasis on individuals with equal rights, coupled with the fact that it tends to downplay if not ignore national identity, it is unsurprising that the liberal international order emphasizes that countries should axiomatically accept refugees seeking shelter, and that there should be few obstacles to individuals moving freely from one state to another. The paradigmatic example of this policy is the EU's Schengen accords, which have largely eliminated borders among most of that institution's member states. Furthermore, until recently, the EU has been deeply committed, at least in principle, to opening its doors to refugees fleeing trouble spots.

In a world where national identity matters greatly, mixing different peoples together, which is what invariably happens when there are open borders and broadminded refugee policies, is a prescription for trouble. It seems clear, for example, that immigration was the main reason British voters supported Brexit. They especially disliked the fact that the EU's policy of open borders allowed people from Eastern Europe to easily migrate to Britain.<sup>46</sup> Britain is hardly an exception in this regard, as anti-immigrant sentiment is widespread in Europe and fuels hostility toward the EU.<sup>47</sup> The refugees from the Greater Middle East who have flooded into Europe in recent years have certainly not been accorded the kind of welcome one would expect from states that are at the heart of the liberal international order. Indeed, there has been enormous resistance to accepting those refugees, especially in Eastern Europe, but also in Germany, where Chancellor Angel Merkel hurt herself politically by initially welcoming the refugees. This trouble over open borders and refugees not only calls into question the EU's commitment to liberal values, but it also opened up rifts among the member states, which have shaken the foundation of that venerable institution.

Fifth, the tremendous growth in economic intercourse that has come with the establishment of the liberal international order has led to economic as well as political troubles, which are undermining that order. The contemporary international economy is highly integrated and remarkably dynamic. Change occurs at warp speed and major developments in one country invariably have significant effects in other countries. There is no question that this wide-open system generates impressive growth on a global scale, but it also creates serious problems that governments are ill-equipped to fix, at least if they play according to the rules of the liberal world order. The best way to understand this

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however, the universalistic strand of liberalism tends to trump the particularistic strand, which means liberal states tend to be intolerant toward other kinds of political systems.

<sup>46</sup> Clarke et al, *Brexit*, pp. 11, 23, 53, 59, 70, 102-03, 109, 113, 122-24, 166-70, 173, 205, 207-08. Although immigration and open borders are treated separately from sovereignty in *Brexit*, those issues are closely linked. After all, Britain is bent on exiting the EU so that it can regain authority over its borders, which is now largely in the hands of the EU.

<sup>47</sup> Clarke et al., *Brexit*, pp. 222-29.

phenomenon is to compare today's hyper-globalization with the globalization that obtained under the Bretton Woods system from 1944 until the late 1980s.<sup>48</sup>

The Bretton Woods system was designed to facilitate an open international economy, but only up to a point. There were, for example, significant limits on capital flows across state boundaries and although GATT was designed to facilitate international trade, governments had considerable maneuver room to adopt protectionist policies when it was in their interest. In effect, governments were able to pursue policies that not only facilitated prosperity, but also protected their citizens from the vagaries of the market. John Ruggie famously refers to this relationship between markets and governments as "embedded liberalism."<sup>49</sup> The Bretton Woods system worked well for more than four decades.

The hyper-globalization that began in the late 1980s and accelerated after the Cold War effectively overturned the Bretton Woods system. The new order was designed to greatly reduce regulation of global markets by removing controls on capital flows and replacing GATT with the WTO. This new trade organization, which began operating in 1995, was intended to open up markets all over the world and make it especially difficult for governments to pursue protectionist policies. "Any obstacle to free trade," as Dani Rodrik notes, was seen "as an abomination to be removed; caveats be damned."<sup>50</sup> In essence, almost any kind of government interference in the workings of the world economy was considered harmful to the liberal international order. To quote Rodrik again, "The state went from being the handmaiden of economic growth to the principal obstacle blocking it."<sup>51</sup>

Hyper-globalization may have led to impressive growth at the global level, but it also caused major problems that the liberal international order is incapable of fixing. Specifically, many jobs in particular sectors of a country's economy disappear quickly, throwing large numbers of people out of work. It is often difficult for the unemployed, many of whom are unskilled workers with little mobility, to find well-paying jobs, or any job at all. And even if they find a good job, there is always the possibility they will lose it, given all the creative destruction that comes with hyper-globalization. Even people who

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<sup>48</sup> The subsequent discussion of Bretton Woods and hyper-globalization – or what is sometimes called neo-liberalism – draws heavily on Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy* (New York: W.W. Norton, 2011). Also see Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System*, 2<sup>nd</sup> ed. (Princeton, NJ: Princeton University Press, 2008); Dani Rodrik, *Has Globalization Gone Too Far?* (Washington, DC: Institute for International Economics, March 1997); Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth* (Princeton, NJ: Princeton University Press, Princeton University Press, 2017); Joseph E. Stiglitz, *Globalization and Its Discontents Revisited* (New York: Norton, 2017).

<sup>49</sup> John G. Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," in "International Regimes," ed. Stephen D. Krasner, special issue, *International Organization*, Vol. 36, No. 2 (Spring 1982), pp. 379-415.

<sup>50</sup> Rodrik, *Globalization Paradox*, p. 77.

<sup>51</sup> Rodrik, *Globalization Paradox*, p. 163.

have never lost their jobs worry that they too might eventually be unemployed. In brief, the dynamism inherent in the world economy not only threatens jobs, but also fosters an acute sense of uncertainty about the future among people all around the world.

Furthermore, hyper-globalization has helped produce staggering economic inequality almost everywhere, which shows few signs of abating.<sup>52</sup> Indeed, it appears the problem is likely to get worse with time.<sup>53</sup> Under the Bretton Woods system, governments were primed to deal with problems of this sort, and thus would have been well positioned to devise redistributive tax policies, training programs for workers, and generous welfare benefits. But in the liberal international order, the solution to almost every problem is to let the market deal with it, not governments, which are considered to be more of a liability than an asset for making the global economy work smoothly. To the extent that rules are needed to facilitate its smooth working, better to rely on international institutions than governments.

Markets, of course cannot fix these problems; indeed, they caused them in the first place and are likely to make them worse in the absence of government policies that can protect their citizenry. As one would expect, these festering problems have led to widespread dissatisfaction with hyper-globalization and growing sentiment for government's to adopt protectionist economic policies, which would work to undermine the liberal international order. Donald Trump, of course, capitalized on this hostility to the present system in the 2016 presidential campaign and not only railed against international institutions like the WTO, but also made the case for pursuing protectionist economic policies. He emphasized the importance of protecting American workers above all else. In both the Republican primaries and the general election, he defeated opponents who defended the liberal international order and argued against protectionism. Unsurprisingly, Trump has moved in a decidedly protectionist direction since moving into the White House. Ultimately, when markets clash with the deep-seated interests of nation-states, as has happened with hyper-globalization, the latter will ultimately prevail, which works to undermine the liberal international order.

There are two other significant economic problems that plague the liberal world order. The ease and speed with which capital flows across borders, coupled with the emphasis that order places on government deregulation, is likely to lead to major crises in particular countries or regions, or even engulf the entire world. "Periods of high international capital mobility," Carmen Reinhart and Kenneth Rogoff write, "have repeatedly produced international banking crises."<sup>54</sup> Unsurprisingly, there have been a number of major crises

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<sup>52</sup> Lucas Chancel et al., *World Inequality Report, 2018* (Paris: World Inequality Lab, December 2017). See <https://wir2018.wid.world/files/download/wir2018-full-report-english.pdf>

<sup>53</sup> Walter Scheidel, *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century* (Princeton, NJ: Princeton University Press, 2017).

<sup>54</sup> Carmen M. Reinhart and Kenneth S. Rogoff, *This Time is Different: Eight Centuries of Financial Folly* (Princeton, NJ: Princeton University Press, 2011), p. 155.



since hyper-globalization began taking root in the late 1980s. The most consequential were the Asian financial crisis of 1997-1998, which came dangerously close to spreading across the entire globe, and the 2007-2008 Financial Crisis, which was the most severe worldwide economic crisis since the Great Depression of the 1930s. Given the continuing mobility of capital, there is good reason to think more crises of this sort will occur, which will further weaken the legitimacy of the present order, and might even bring it crashing down.

The other problem facing the liberal world order concerns the euro.<sup>55</sup> When that currency was established in 1999, it represented a giant step forward in promoting monetary union, but there was neither fiscal nor political union to help underpin the euro. Critics predicted that the euro would be plagued by significant problems over time without fiscal and political union.<sup>56</sup> Many advocates recognized the problem, but thought that monetary union would eventually lead to union on all three fronts, thus eliminating the problem. That did not happen, however, and the euro encountered its first major crisis in 2009, which led not just to economic problems, but political problems as well. The crisis and the ensuing attempts to solve it have brought hard-edged nationalist sentiment to the surface in Europe.

The EU had great difficulty dealing with Eurozone crisis, but the problems were eventually dealt with by massive bailouts from institutions like the ECB, although not before significant political damage was done to the EU. **Tooze: US role is enormous.** More importantly, there has been no significant movement toward fiscal and political union, which means that the fix is temporary and there are likely to be more crises in the years ahead.

Sixth, incorporating China into the liberal international order, which has been a high priority for Western elites since the Cold War ended, has helped it grow into an economic powerhouse with significant military capability. In effect, China has become a great power, thus undermining unipolarity, which is essential for maintaining a liberal world order. This problem is compounded by the resurrection of Russian power, which has also been aided by its integration into the existing order. With the rise of China and Russia's comeback, the system is moving away from unipolarity and toward multipolarity, which dooms the liberal international order.<sup>57</sup> Of course, neither China nor Russia is a liberal democracy anyway.

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<sup>55</sup> Joseph E. Stiglitz, *The Euro: How a Common Currency Threatens the Future of Europe* (New York: Norton, 2016).

<sup>56</sup> Rudiger Dornbusch, "Euro Fantasies: Common Currency as Panacea," *Foreign Affairs*, Vol. 75, No. 5 (September/October 1996); Martin Feldstein, "EMU and International Conflict," *Foreign Affairs*, Vol. 96, No. 6 (November/December 1997); Josef Joffe, "The Euro: The Engine That Couldn't," *New York Review of Books*, Vol. 44, No. 19 (December 4, 1997) Paul Krugman, "The Euro: Beware of What You Wish For," *Fortune*, December 1998. \*

<sup>57</sup> One might think that the rise of China and the decline of American power is the principal cause of the liberal international order's demise. In other words, when the United States was the clearly dominant power, the system worked fine, because Washington had the wherewithal to make it work. But as its power waned, the liberal order began to fall apart. This variant of hegemonic stability theory is not my argument. Indeed,

The bottom line is that the liberal international order, despite its early successes, had a variety of flaws built into it that eventually undermined it.

## **X. Where Are We Headed?**

One might acknowledge that the liberal international order is broken, but argue that it is possible to learn from past mistakes and fix the underlying problems. There is no viable way to rescue that order, however, as it is fatally flawed at its roots. The key factor that will shape the new order is the coming of multipolarity (China, Russia, and the United States), which will lead to the creation of a realist international order and two bounded realist orders. Those new orders will bear some resemblance to the three orders that dominated the globe during the Cold War, but will differ from them in some important ways.

The fact that the emerging international order will be realist at its core means that spreading liberal democracy far and wide will no longer be its core mission. China and Russia will surely have little interest in promoting a political system that is at odds with their own governing system and so similar to the American one. In fact, they are likely to be opposed to democracy promotion altogether. And even if the United States were to remain deeply attached to that mission, it still would have to take a back seat to balance-of-power calculations, which will largely shape relations among the three great powers.

There are two key features of the emerging multipolar system that will shape the orders that go along with it. First, there will be an intense security competition between China and the United States that will be the central feature of international politics over the course of the twenty-first century. That rivalry will lead to the creation of a bounded order led by China and another one led by the United States. Military alliances will be at the core of those two bounded orders, which are now beginning to form and which will bear marked resemblance to the Soviet-led communist order and US-led Western order that were central to international politics during the Cold War.

Second, unlike the Cold War, there is likely to be significant economic intercourse among the three great powers and their allies. In other words, there is little reason to think that the high levels of economic interdependence that now exist in the world economy are going to diminish over time in any meaningful way. This situation will be strikingly different from the Cold War, where there was little economic activity between East and West. The future is more likely to resemble the situation in Europe before World War I (and even World War II), where there was an intense security competition between the Triple Alliance (Austria-Hungary, Germany, Italy) and the Triple Entente (Great Britain, France,

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the trouble began when the United States was at the height of its power in the early 1990s. All that economic and military might allowed American policymakers to create a liberal international order that contained deep flaws and was fated to fail. This is not to deny, of course, that one flaw was that it helped China rise, which eventually contributed to the order's demise. In short, the liberal international order did not fail because the United States lost power, but instead because it was defective at birth.

Russia), yet a huge amount of economic interaction among those six countries and within Europe more generally.

The fact that the world economy is likely to remain highly integrated – despite the presence of security competition among the great powers – has important implications for the shape of the international order under multipolarity as well as for the China-dominated and US-dominated bounded orders. Unlike the Cold War, where the international order was not concerned with economic issues in any meaningful way, the emerging international order will play a pivotal role in managing the world economy – just as the liberal world order has done throughout the post-Cold War period. There will be some important changes in the existing order, however, mainly due to China’s rise. Beijing will seek to re-write the rules in the current economic institutions to give it more influence, and it will also create new institutions that it dominates.<sup>58</sup> In short, as China continues to grow, it will wield its power to reshape the present international order to its advantage.

In addition to its role in helping to manage the world economy, the international order will also be concerned with a particular cluster of security issues, as was the case during the Cold War. Again, the focus will be principally on arms control agreements. The existing treaties and agreements dealing with proliferation are likely to remain in place, but Beijing, Moscow, and Washington will have to negotiate new treaties limiting their arsenals, as the superpowers did during the Cold War. Nevertheless, the international order will not deal with core security matters, which will be handled inside the American-led and Chinese-led bounded orders. All of this is to say that the emerging international order will be a partial one, but not a sparse one like the Cold War order.

The two bounded orders that are likely to emerge in multipolarity will pay relatively little attention to managing economic interactions among their member states, mainly because that task will be handled largely by the key economic institutions in the international order. The focus instead within both the Beijing-led and Washington-led bounded orders will be on security issues. Thus, those two orders will be partial ones, which stands in sharp contrast to the full-scale bounded orders of the Cold War era, which were deeply concerned with both economic and security issues.

What about Russia? It is a great power for sure, which is why the emerging world is multipolar, not bipolar. But it will be the weakest of the three great powers for the foreseeable future, unless either the American or Chinese economies encounter major long-term problems. The key question regarding Russia is: which side will it take in the growing Sino-American antagonism? Although Russia is now aligned with China, it is likely to switch sides over time and ally with the United States against a rising China, simply because China is the greater threat to Russia. Should Moscow and Washington forge closer relations because of their mutual fear of China, Russia will be loosely integrated into the US-led bounded order. Should Moscow continue to have friendly relations with Beijing

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<sup>58</sup> Oliver Stuenkel, *Post-Western World: How Emerging Powers Are Remaking Global Order* (Malden, MA: Polity Press, 2016), chaps. 4-5.

because it fears the United States more than China, Russia will be loosely integrated into the China-led bounded order. It is possible that Russia will try not to align itself with either side and create a bounded order of its own. If that happened, it would be a partial order, but nowhere near as consequential as the bounded orders dominated by Beijing and Washington.

The bottom line moving forward is that there will be a much more formidable international order than existed during the Cold War and it will be primarily concerned with helping to manage the world economy. But it will also pay considerable attention to fostering and maintaining arms control agreements, especially among the great powers. There will also be two bounded orders dealing mainly with security concerns. Rival military alliances will be at the heart of those two orders, which will pay little attention to economic matters, which was not the case with the American-led and Soviet-led orders during the Cold War.

## **XI. A Final Thought**

There is a small chance China will not continue its impressive rise and Russia will badly falter in the decades ahead, while the United States grows increasingly powerful. Should that happen, the international system would move back to unipolarity from multipolarity. This possible shift in the global distribution of power raises the obvious question: what would the international order look like, given that the sole pole would be a liberal democracy? Would the United States try once again to establish a liberal international order, as it in the wake of the Cold War?

While there is no question that American policymakers would be tempted to try again to create another liberal international order, that is unlikely to happen. The main reason is that it has been tried once and failed at significant cost. Indeed, it failed when it looked at first like all the ingredients for success were in place. After all, the plan was to take the full-scale US-led order that had been so successful during the Cold War and spread it across the globe. But there will be no similar model to inspire great expectations if unipolarity returns, because the US-led order against China will be restricted largely to military matters. Regardless, it even proved impossible to transform the bounded realist order the United States built during the Cold War into a sustainable liberal international order.

In the event unipolarity returns, the United States would likely lead an agnostic international order. American policymakers would surely play a central role in running the institutions that comprise that order, as well as managing the international economy – hopefully avoiding the pitfalls of hyper-globalization. But in all likelihood the United States would not try to launch another crusade aimed at turning every country on the planet into a liberal democracy. Of course, this is the path American leaders should have pursued after the Cold War ended, but at that moment in time they thought it would be possible to pursue a much more ambitious agenda and create a liberal international order dominated by Washington. They failed to recognize, however, that such an undertaking was destined to fail. Hopefully, future US leaders will not repeat that mistake if unipolarity comes again.