

## THE WEST AND THE LIMITATIONS OF LIBERAL INTERNATIONAL ORDER IN THE POST-CRISIS ERA

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### Abstract

*Recent geopolitical and economic pressures are putting into question the sustainability of the post-1945 liberal international order, as currently conceived. These turns of world politics have vanished the dreams of the liberal international order's regulating and integrating the entire world economically and politically. Instead, we find ourselves in a moment of transition, and if the leading countries of the existing order do not remedy this, we are moving towards a new order that might not be based on the set of western interests and values that shaped the international order in 1945 and 1990.*

*This article aims to analyze the evolution of two elements. Firstly, it examines some of the pillars on which the international liberal order was built and how their erosion, in the post-Cold War years, has conditioned the future of the liberal international order. Secondly, it explores the impact of the assumption of two false premises since the end of the Cold War until now: the existence of a unique (and American) interpretation of political liberalism for the 21<sup>st</sup> century and the indissolubleness of the economic and political sides of liberalism.*

**Keywords:** *liberal international order, post-Cold War politics, U.S. foreign policy, transatlantic relations.*

### 1. Introduction: The Cold War context of the liberal international order

*"The United States has the opportunity and, I would argue, the solemn responsibility to shape a more peaceful, prosperous, democratic world in the 21<sup>st</sup> century. The story of the 21<sup>st</sup> century can be quite a wonderful story. But we have to write the first chapter."<sup>1</sup>*

W. J. Clinton.

Since 1945, the United States and its allies have exported their values and interests through the formation and preservation of a liberal international order. There is a consensus around the idea that although the United States and the countries of the West have sometimes taken

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<sup>1</sup> William J. Clinton, "Remarks on Foreign Policy". Speech given by President Clinton in San Francisco, February 26 1999.

incoherent actions, their values have prevailed as the dominant global regulatory principles for decades.

This article argues that the postwar order is under significant stress from a geopolitical and an economic perspective, owing to western countries' miscalculations in their strategic policies.

First of all, the construction of a minimum conceptual framework is certainly required. In principle, an international order is defined by a set of rules and institutions that regulate the actions of the key actor in the international system. Ikenberry defines it as a set of "governing arrangements between states, including its fundamental rules, principles, and institutions" (Ikenberry 2001,23).

Post-1945 liberal international order constitutes a complex mix of multilateral institutions and a global trading system, both governed by western values. Understanding 'liberal' in its philosophical sense, coming from the conception of the political theory of Hobbes and Locke, the order includes free market and fundamental individual political rights. According to these liberal norms, sovereign states could resolve their political and economic differences and enjoy a shared prosperity. Institutions such as the United Nations, the World Bank, the International Monetary Fund or the World Trade Organization, as well as many regional organizations like the ASEAN or NATO, were designed to guarantee the western actions and principles' leadership. The logic behind this system was that openness, through economies, societies and open policies defended by a collective security network, would contain the Soviet Union. The ideologists of this system of containment hoped that when the ideological dichotomy of the Cold War ceased, these principles could be extended to the whole world.

While the Cold War as a global system did not determine, even in its heyday, everything that was happening in international relations, it did influence most of the global issues. At its core, there was an ideological competition between capitalism and socialism, with each side dedicated to sustaining and expanding its socio-economic system through certain forms of political and economic governance. It was a bipolar system of zero-sum, in which none of the main protagonists foresaw a lasting commitment with the other and whose intensity transformed its nature into dangerous, given the intention of both parties to destroy the opponent (Wright 2017, 4). With the end of this conflict and the dissolution of the Soviet bloc, an almost euphoric wave of optimism swept over the western political world. Shawcross described the triumph of politics and reason as: "There was a belief that [...] much of the world could be put to right [...], [and] reason, not politics,

might prevail” (Shawcross 2000, 31). In relation to the consolidation of the liberal international order, there was a consensus, certainly naive, both in conservative and progressive positions, that peace could reign in a "new world order" based on Western values (Hyland 1999).

## 2. Post-Cold War and the management of hegemony

Inspired by a Wilsonian fervor and seeking to end civil wars and to put limits on governments that massively violated the most basic rights of their citizens, a new policy was adopted. This was reflected in the early nineties' U.S. national security strategies and in the European Union first Common Foreign and Security Policy, and publicly expressed by the U.N. Secretary-General, who declared the triumph of morality: “We are clearly witnessing what is probably an irresistible shift in public attitudes toward the belief that the defense of the oppressed in the name of morality should prevail over frontiers and legal documents” (Scheffer 1992, 4).

Concentrated on a Kantian peace, the United States, and its allies, consolidated the post-1945 international relations framework, expanding the core community of liberal democracies and advocating for a free-market system. The members of this core community acted as promoters of democracy, confident in the success of transatlanticism and the globalization of its ideological pillars. An excellent example of western confidence in the transformative capacity of democracy was the management of China's entry into the World Trade Organization. During a turbulent decade regarding intra-state conflicts, the world witnessed the beginning of the implementation of the new world order. It expanded the scope of the liberal international order and ensured the globalization of a set of economic and political values. The optimism of the West about its transformative potential led to expanding the concept of westernness, with the case of Eastern Europe as paradigmatic. Parallely, concepts such as “transatlantic relations” became key elements for the image of a prosperous West, creative and united. This optimism led countries like the United States to acquire new strategic concepts in their strategies, revaluing Cold War time mechanisms such as NATO or the OSCE.

Academia on both sides of the Atlantic was for more than a decade devoted to explaining the nature of this period. Some scholars described positively how the US-led liberal international order was becoming the basic architecture for international politics, and how its norms gained sympathy around the world. Anti-interventionist scholars, like Bacevich, argued that successive post-Cold War administrations adhered to a well-defined strategy of openness, motivated by the

imperative of economic expansionism and fostering an open and integrated international order (Bacevich 2002, 79). Other authors were recurrently accusing this order of being an imperial or unipolar hegemony not capable of replacing the Cold War containment with an effective and attractive new basis for its foreign policy. Todd argued that at a time when the rest of the world was discovering that it could get along without American and western leadership, rising leaders were experiencing a growing sense of accord and becoming more boldly defiant toward unilateralism (Todd 2003).

Whether strategies to maintain U.S. and western hegemony were implemented through unilateralism or re-enforcement of the international order mechanism, the hope of the 1990s that so naively led some to declare the end of history (Fukuyama 1993), rested on two false premises: the existence of a unique (and American) interpretation of political liberalism and the indissolubleness of economic and political liberalism.

### 2.1. The western vision of the world order

The first false premise lies in the mistaken belief that there was a single vision within the West about the management of global issues, in terms of both values and objectives. The culminating moment in which the falsehood of this premise manifested was 9/11. With the adoption of a global anti-terrorism policy, the Bush administration found itself in a situation into a situation famously described by Robert Kagan. He described how Western nations no longer shared a common vision of the world. Especially, he argued, regarding the utility of power and the morality associated with its use. Kagan argued that Europe and the U.S., as major elements of what we call the West, had developed fundamentally different views about what the world was like and how it should be (Kagan 2004).

It is true that for a decade, this emerging division in the interpretation of the present and future of the liberal international order was seen by many as an opportunity to debate and confront opinions and policies. Behind that discussion, there was confidence that emanated from a common concept of the West and trust on the transatlantic bridge firmness. Nevertheless, the end of the Cold War clearly marked the beginning of a transatlantic discussion. Some opted to live by values expressed through norms, and some others by a chaotic unilateral use of what Nye called hard power (Nye, 2005). The political expression of this duality was the division over the

intervention in Iraq, decided by President Bush and supported by Prime Minister Blair and President Aznar.

More than a decade after the implosion of the western solid cohesion, the relationships between Europe, the United States and other western allies, such as India or Japan, are now turning more unfriendly and distrustful than ever. Low-level politics, the disappearance of the ideological debate, the substitution of political deliberation for populism, and the absence of strategic priorities are leading towards an erosion and a possible dissolution of the post-war consensus that globalized in the nineties and made the idea of a worldwide extension of the liberal international order possible.

Western governments, which have led the international order for seven decades, have been clumsy or reluctant to recognize this. As Thomas Wright expressed it, “the world had become much more nationalist and competitive” (Wright 2017), and divided westerners have turned their attention to this change. For some scholars and policy-makers, the conclusion is even worse. Despite disagreements between the United States and its allies for decades on how best to support liberal democracy abroad, the idea of permanent engagement as the only possibility for the liberal international order has remained alive. Nevertheless, many argue that this is no longer an undiscussed truth for leading western countries.

One of the consequences of this lack of commitment is the loss of leverage over the rest of the international system actors. As a result of abandoning a common set of priorities, some of the basic political foundations have been put at stake, resting undefended. Liberal democracy, probably one of the most fundamental principles of the international order exported by the West, is facing its most serious crisis in decades. A recent report produced by Freedom House explains how democratic basic tenets, such as guarantees of free and fair elections, the rights of minorities, freedom of the press and the rule of law, are at risk around the world. The report shows how non-western regional powers have taken advantage of the retreat of leading democracies to escalate repression at home and to export their anti-western influence abroad, compromising the future credibility of multilateral institutions and the commitment of western countries to defend their order.

On top of that, from trade or security disputes to climate change, national interests have re-captured primacy. We can provide some examples of this as the Brexit assaults a pure western macro-project: the EU; the triumphant populisms in the European and American elections, which

make us wonder whether the democratic nature of our system is no longer un-mutable; the rejection of the TTIP and TPP and the attempt to revert NAFTA, which separates the political and economic faces of liberalism; and finally, yet importantly, the United States opening a selfish and short-minded rationale of why it should remain the global stability provider if the costs of maintaining that order are much larger than the benefits.

Some authors, such as Legvold, explain how, on one the hand, the negative perception of the globalization by the constituencies of the western liberal democracies have paved the way for public lack of commitment for the liberal international order (Legvold 2016). On the other hand, the possibility of challenging the status quo without facing the consequences has created a vacuum of power exploited by others. Conley has recently edited a good collective work describing how the Obama administration projected globally after the 2008 crisis, through a perhaps diffident and excessively multilateral foreign policy agenda, which Trump is minimizing. He refers to the existing situation as a new Cold War, with the participation of Russia, but also China, Iran, North Korea, etc. (Conley 2018). Others, like Westad, claim that while current international affairs continue being challenging, “they are a far cry from Cold War absolutes” (Westad 2018). It is true that frequent Cold War parallels come to our minds and remnants of the bipolar period are familiar to us, but the bases of international affairs have changed. If we want to draw parallelisms, we are much closer to 1871 than to 1963. What we are witnessing is probably a collective dereliction that falls as part of an end of an interregnum.

Trying to identify concrete expressions of how the West is facing consequences in the form of challenges to its dominant position, Grygiel and Mitchell have worked with the term “probes”. These are described as aggressive measures against “the frontiers of the rival power’s influence, where its interests are less pronounced, its power is at its farthest projection and its political clout at its weakest” (Grygiel and Mitchell 2016). Some examples of probes are the Russian intervention in Ukraine, the Chinese actions to expand its control over the South China Sea, the North Korean missile tests or the Iranian support to its proxies in Iraq, Syria, Lebanon or Yemen. The intention of these probes is to test the power and resolution of the United States (and Western allies like the EU or Japan). These movements have created conflictive situations that avoid direct military clashes, but ultimately seek the revision of the existing regional order.

In the case of China or Russia, although the motivation is shared, not all of these probes share the same strategy. On the one hand, Chellaney accurately identifies China’s unilateral attempts to

alter the regional *status quo* as an undisputable large threat to the international order (Chellaney 2018). What China has achieved in the South China Sea, says the author, “has significantly more far-reaching and longer-term strategic implications than, say, Russia’s annexation of Crimea” if we analyze it in relation to its presence in Djibouti, Gwadar or the Maldives, examples of the effort to project Chinese blue-water components, clearly antagonistic to the US Navy traditional hegemonic role (Poulin 2016). On the other hand, Russian actions, while interfering in Western-dominated areas such as Crimea, are not only about territory, as they primarily pursue to contest the existing order. Putin observes the West-dominated set of rules and power distribution as a challenge to a self-perceived Russian role in the world. The interference in the US 2016 elections, the violation of fundamental principles of international law, the use of military and covert actions in Ukraine or Georgia, or its massive involvement in the Syrian war to uphold Bashar al-Assad’s regime have clearly qualified Russia as a revisionist country, a large-enough actor, in the words of Haass, with “few if any qualms about overturning the status-quo” by whatever means it judges necessary (Haass 2018). Notwithstanding the difference, these and other decisions, are sending the message that defiant unilateralism does not necessarily meet with strong reactions from the Western powers.

As these regional strategies are turning successful, the capacity of the West to maintain control of the international order reduces, and with it, the applicability of the values and norms that the US and its allies have traditionally protected.

## 2.2. Political and economic convergence

The second wrong premise behind western assumptions at the end of the Cold War was the assumption that economic integration would also stimulate political convergence globally. Thirty years after the instauration of the “new world order”, economic and political liberalism have not proven to be indissolubly linked. Indeed, today rising powers in regions that were primarily targeted by western economic policies are actively seeking to review the distribution of power in their respective regions, trying to impose themselves by weakening the United States and its western allies.

Instead of contributing to consolidating the post-1945 liberal international order, the inclusion of non-western countries in in the order’s economic mechanisms created the opposite result. New economic mechanisms, inspired by the ones consolidated by the western bloc before,

were featured, this time characterized by an anti-western character. Again, the undisputable examples of this are Russia and China.

On the one hand, after the U.S. won the Cold War, attention on Russia dropped and the United States and its allies continued engaged and vigilant, but they lost an opportunity throughout the period that Russia needed to overcome the enormous economic challenges of transforming itself in a market economy. The call for a Russian economic integration and dependence, such as in the field of energy production and distribution, did not bring Russia closer to the international economic mechanisms, but instead, it created a regulatory vacuum that was very soon identified by Vladimir Putin, who utilized it to lead the Russians back to the old days.

On the other hand, Chinese billionaire initiative “Belt Road Initiative” (BRI), presented as the Chinese Marshall Plan, seeks to connect Asia, Europe and Africa by forming a complex network, using roads, harbors, railways, airports, transnational electric grids and pipelines. It constitutes an alternative investment solution that challenges the existing hegemony of the liberal western financial institutions, such as the World Bank or the Asian Development Bank. By promoting infrastructures, trade and new alliances at different levels, it develops a powerful parallel mechanism, outside the western orbit of control.

Luft brilliantly explains how for more than a century, the West has been trying to open China to the rest of the world and to integrate it with the global economy. For most of this time, China “held the door tightly closed, resisting foreign influence. The roles are now reversed as China attempts to mesh its economy and culture with the rest of the world”. The BRI is China’s mechanism for “withdrawing from its role as the United States’ banker, shifting its capital expenditures from bonds to bridges, from IOUs to BTUs” (Luft 2017). By succeeding in this initiative, the BRI could stand firm as the organizing principle of a new Chinese grand strategy for the 21<sup>st</sup> century.

In face of these realities, leading western governments, and specifically the United States, are not responding by rethinking the initial strategy of economic liberalism inspiring political liberalism. Instead, confused by internal opposition and lack of strategic leadership, they are proposing counterproductive protectionist measures, like the ones being adopted by the Trump administration. This lack of American engagement will essentially allow others to disrupt the liberal international order, politically and economically, and to shape the future of global governance in ways that may be detrimental to western interests.

### Conclusions

It is very likely that the United States and its allies will remain the most powerful countries for coming decades, but the electoral and political polarization may cause significant stress on the U.S.-led liberal international order. This order has survived important challenges over the past half-century without fatal damage, but now we are witnessing the unfolding of the consequences of two wrong premises of the 1990s. On the one hand, the emerging powers, mainly Russia and China, have provoked tensions in the international order getting ready to occupy the political and economic spaces that traditionally stronger states have abandoned or neglected.

While further analysis should be focused on foreseen Russian and Chinese actions' catalytic potential to accelerate the collapse of the order, it is required to continue evaluating the extension and the long-term effects for the members of the combined West, because of their important policy implications. The US traditional allies, like Germany, Japan and Australia, crucial pillars of the liberal international order, are confused and make their own calculations about how long they can count on the United States for political and military support. Parallel to the lack of internal coherence and reliance, an increasing number of non-western governments have lost confidence in the western rules-based system, drawing up their own containment plans.

Attempting to minimize or temporarily neutralize any challenge requires a radical turn from current trends of western disengagement. Coalitions' pooling resources to confront common adversaries is probably the only way to keep the balance of power and maintain the basics of nowadays international order for at least a couple of decades. It seems eminently feasible as European countries feel overwhelmed and exposed to Russia's aggressive national security policy implementation. Same in Asia, where most of the former allies, and not only Japan or Korea, feel equally intimidated by China. Even in the Middle East, taking into account the complexity of the Iranian-Saudi power battle, a Western joint venture would clearly improve, at least, the stabilization of the region.

Precisely because the future of the liberal international order is unclear, the United States and its allies have a strategic decision to make about committing the resources and running the risks. Both are required to confront the revisionism of the liberal international order.

The U.S.-created system of alliances has been the cornerstone of the order for seventy years, but the attitude and nature of U.S. and western leadership will have to change to prolong the

**current order, developing strategies for future shared engagements and the enforcement of rules, while creating fair mechanisms to accommodate the rising powers, is the only possibility.**

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