The Liberal International Order:

Intellectual Foundations and Sources of Crisis

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Introduction:[1]

This paper analyzes the nature, the historical evolution, and the current crisis of the liberal international order, focusing on its intellectual foundations and, in particular, on the tension between the sovereign states system and liberal ideas. Intellectual history may appear a roundabout way to approach the ongoing crisis of the international order. Yet even though there is a gap between ideas and reality, a social order inevitably reflects the ideas upon which it is based. Thus, the current crisis of the international order cannot be understood without going back to its intellectual foundations. After a brief survey of the intellectual background and historical evolution of the liberal international order, this paper goes on to elucidate the order's characteristic strengths and weaknesses.

1. What Is International Order?

A social order may be defined as "a condition in which behavioral patterns which contribute to the realization of values indispensable for social life are widely and predictably observed."[2] Order implies some sort of predictable patterns. But not all sorts of behavioral patterns contribute to social order. Order refers to a condition in which values which are indispensable for social life *as such* – values such as limitation on the use of violence, respect for established property rights (or usufruct), and keeping of promises – are reliably protected. In an orderly condition, behavioral patterns which contribute to the realization of such values are prevalent. Order does not preclude change, including some measure of chaotic change. But it requires that changes come in such a way that does not undermine the basic values to which the particular society is committed. Maintenance of social order in this sense is not an absolute good, for a given social order may be so socially unjust (or economically inefficient, blasphemous from a religious standpoint, etc.) that a revolutionary, and perhaps even violent overhaul of the existing arrangements might be justified. Yet social order is essential for a stable social life, which is why many of us are interested in its maintenance. An order is often preserved and underpinned by social norms that encourage order-sustaining behavior,

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[1] This paper is an English translation of the author's chapter in Naya Masatsugu and Sophia Institute of International Relations, ed., *Jiyūshugi-teki kokusai chitsujo wa hōkai surunoka: Kiki no gen'in to saisei no jōken* [Will the Liberal International Order Disintegrate?: Causes of the Crisis and Conditions for Regeneration] (Tokyo: Keisō shobō, 2021), pp. 25-53.

[2] This definition is based on Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (Columbia UP, 1977), p. 5, but is modified from Bull's original definition.

and institutions which embody such norms. These norms and institutions may also be conceived as integral parts of a social order. Thus, elaborating on our initial formulation, a social order may be defined as "a condition in which behavioral patterns that contribute to the realization of those values indispensable for social life are widely and predictably observed, and in which norms and institutions that sustain those patterns are well-entrenched."

Values such as limitation on violence, respect for property rights, and keeping of promises are fundamental values in most societies. But actual societies emphasize their own distinctive set of values on top of the basic ones just mentioned. The American society has historically placed a great amount of emphasis on individual economic freedom, and has tolerated a wide degree of disparity in economic wealth. Any social order, to the extent that it maintains some semblance of peace and stability, brings major benefit to the large majority of people, at least when compared with the situation of complete anarchy. But no social order is neutral among the interests of all members of the society. Thus, the struggle concerning what sort of social order should be built is never-ending.

The definition of social order given above underscores the role of norms, institutions, and of values (conceptions of "the good") that underlie norms and institutions. Yet, a social order is built not solely on the basis of shared conception of justice or "the good." At times, a social order might emerge spontaneously out of uncoordinated interactions among actors who do not share a conception of justice or the good. Yet, in general, a social order which is not underpinned by some conception of legitimacy often proves unstable. Also, however legitimate, a social order is unlikely to last for long unless it brings tangible (usually material) benefits to at least key segments of the society. Furthermore, even a legitimate social order that brings benefit to broad social strata is unlikely to satisfy all members of society. Thus, an order is unlikely to be stable unless it has the backing of effective coercive power. A social order is most likely to achieve stability when it is propped up by these three pillars: legitimacy in terms of shared values; widely shared material benefits; and the backing of coercive power.[3]

An international order is a social order which exists in the international society, characterized by the coexistence of multiple sovereign states. The modern international

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[3] Yuichi Hosoya, *Kokusai Chitsujo* (Tokyo: Chūō kōronsha, 2012), pp. 33-86.

order developed initially in Europe since the seventeenth century, and later expanded globally. In its origin, the basis of an international order is the mutual recognition of sovereign rights among states that emerged in various regions of Europe. The word sovereignty derives from the Latin term *superanus*, meaning "higher" or "supreme." The word "soprano" also derives from the same root. As such, sovereignty means the highest power on this planet. The distinguishing characteristic of the modern sovereign state is that it claims a supreme and exclusive right to exercise control *over a particular territory and population living on it*, based on effective monopoly of legitimate use of force within that territory.

When multiple political units, each claiming exclusive right to rule over their territories, coexist, and none of such units prevails over all rivals and thereby attains a hegemonic position, the only principle on the basis of which the relationship among such units may be stabilized would be the independence and equality of such units, coupled with mutual recognition of the units' exclusive right to rule over their own territory. A political unit claiming sovereign rights cannot but fight if their independence, equal standing with other states, and exclusive right to rule over their own territory are not respected. Thus, such principles are the logical corollary of the idea of sovereignty. In actual fact, the direction of the development of international law from the seventeenth to the early-twentieth centuries broadly reflected such principles.[4]

One factor that underpinned the international order in the early phase of its development was the shared heritage of European civilization. The common bond of Christianity, Latin (and later French) language, shared elements of dynastic and aristocratic culture gave European states a sort of family resemblance, and facilitated communication among them. But in many respects, the European system of sovereign states constituted a weak social order. From its inception in the Peace of Westphalia, European states were divided in terms of religious belief, and the Westphalian system made only weak attempts to limit the use of force. Given that each state was sovereign, no supranational authority existed that would adjudicate between competing claims of justice among states, let alone enforce any rulings it might have issued. In the European international society between the eighteenth and the early-twentieth century, the idea of "non-just war" reigned, according to which wars were regarded as legitimate (and

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[4] Yasusuke Murakami, *An Anti-Classical Political-Economic Analysis* (Stanford UP, 1997), pp. 33-39; Shigejirō Tabata, *Kokusaihō shinkō* (Tokyo: Tōshindō, 1990).

normal) instruments of state policy, and that they cannot be ruled either just or unjust. And this was not just a matter of theory. In fact, European states resorted to war rather frequently. Nevertheless, the Westphalian system constituted a social order in that it strengthened the role of promises and agreements in international relations through diplomacy, in that it demarcated property rights through mutual recognition of sovereignty and each other's territory, and in that some limitations were placed on the use of violence through the development of the laws of war (*jus in bello*). One might say that the merit of the international order lay precisely in its weakness. The Peace of Westphalia ended the wars of religion precisely because signatories gave up on the idea of attaining universal agreement on the questions of religious belief. The basic principles of modern international order were accepted by elites around the world precisely because they allowed for the coexistence of political entities guided by different values.[5]

The values which became the hallmark of the modern international order reflected the constitutive principle of state sovereignty. The values of independence of sovereign states and of equality among them were appreciated above all else. In order to maintain these values, it was necessary to prevent the emergence of a hegemonic state which could undermine the freedom of other states. Thus, "balance of power" became the characteristic behavioral pattern among states constituting the Westphalian system. Diplomacy and alliances provided the institutional support for this behavioral pattern. The guiding values of the international order did not remain constant. The experience of the two world wars in the first half of the twentieth century has led to the realization of the importance of what the UN Charter refers to as "international peace and security," which has become central values of the contemporary international society along with the sovereign equality of states. The idea of "non-just war" was replaced by illegalization of warfare. The principle of non-intervention in domestic affairs of sovereign states is now interpreted much less stringently than was the case in earlier eras. Nevertheless, the most basic values of the modern international system (especially, sovereign equality of states) and institutions that embody these values (the institution of diplomacy) have been accepted almost universally. In this sense, the modern international order has now become global.

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[5] Henry Kissinger, *World Order: Reflections on the Character of Nations and the Course of History* (New York: Penguin, 2014), pp. 6-7.

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A liberal international order emerges as a result of attempts to reform the existing international order according to liberal values. It can be defined as "a condition in which liberal values are widely accepted in [a particular segment of] the international society, in which behavioral patterns that would contribute to such values are observed with high probability, and in which norms and institutions that sustain those behavioral patterns are well-entrenched." Unlike the basic values of state sovereignty, liberal values have historically enjoyed only limited acceptance in the international society. International order as a whole has never been liberal in its value orientation. Yet, attempts to reform the international order along more liberal lines have been made repeatedly, starting in the middle of the nineteenth century. Furthermore, even though a liberal international order has existed only within limited regions of the world, some of the most powerful and influential states of the world have advocated this attempt to build a more liberal international order. To the extent that the project of liberal reform of the international order has been supported by some of the leading states of the world, states which found themselves outside this partial international order could not but also be influenced by this effort. In this limited sense, the influence of the liberal international order extended to the entire world. A liberal international order became a stable feature of international relations among the advanced Western states in the post-WWII era. With the end of the Cold War, many in the West expected that this Western international order was about to spread to cover the entire world. The current crisis of the liberal international order refers to the situation in which such expectations have disappeared, in which existing order is challenged by the rising authoritarian powers, in which various international regimes which until now have been led by liberal values are in turmoil, and in which many people in longstanding liberal democracies have diminished confidence in the effectiveness and viability of capitalist liberal democracy.

2. The Intellectual Foundations of Liberalism

In this paper, liberalism refers to an intellectual/ political stance which regards the pursuit of individual freedom and dignity through the defense of individual rights as the highest principle which should guide public policy. The concept of "individual freedom and dignity" encompasses not only freedom of the individual person from undue exercise of coercive power by the state or private persons, but also intellectual and spiritual freedom -- including the freedom of thought, religion, expression – which is regarded as the very core of the modern notion of freedom. In addition, ever since John Locke, it has been accepted that individual freedom includes a wide range of

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economic freedom associated with capitalist market system.

Liberalism builds on the basis of a particular set of worldview, philosophy, and vision of history, whose components were prepared by the disintegration of the Medieval Christian world through the Renaissance and the Reformation.[6] In Christianity, human beings are regarded as the highest of creatures -- fashioned in the image of God, and thus destined to rule over other creatures on Earth. In the modern era, Christian vision of the dignity of human beings provided one justification for the idea that individuals are endowed with certain inalienable rights. But in medieval Christianity, the belief in the inherent dignity of human beings was tempered by the idea of Original Sin. Human nature, so to speak, became corrupted by the Original Sin, and thus humans were prone to diverge from God's will unless they are placed under the supervision of the Church. Human beings were regarded as pieces to be used in a divine scheme for salvation. They were not seen as the master of their own fate who form and reform societies at their own will, and who shape the course of history. It was the Renaissance that revived a more human-centered view of history through the revival of classical arts and literature, and with it the classical vision of a more secular man, who would use their own capacity to reason in order to pursue their own objectives. Niccolo Machiavelli's depiction of human beings as autonomous agents who are independent from God, and who pursue their own goals by utilizing instrumental rationality became an important milestone in the shift from a God-centered to a more human-centered view of society and history. After Machiavelli, social order, too, came to be regarded as human artefacts rather than something that is natural or divinely ordained.

Despite the vision of a more secular, human-centric society opened up by the Renaissance, the influence of Christianity on European social and political thought did not immediately decline. Far from it, religion continued to be a central political issue. The translation of the Bible into vernacular languages in the Reformation era made the sacred text accessible to lay believers. Its effect was to promote individuation in the sphere of religious belief, which inevitably destroyed the dogmatic unity of the Medieval Church. It also underscored the importance of "individual conscience" as the locus of true Christian belief, and as a critical linkage between individuals and God. Thus, the main currents of European social and political thought since the early-modern era revolved around the question of how a stable society may be formed out of individuals

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[6] See Fukuda Kan'ichi, *Kindai no seiji shisō* (Tokyo: Iwanami, 1970).

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who, liberated from the authority of the unified dogma of the Church, pursue their own interests and values as autonomous actors.

The transition in social thought from the medieval to the modern worldview was paralleled by fundamental changes in the structure of European society – namely, the disintegration of the feudal order and the rise of modern, sovereign states. The development of commerce since the late-medieval era strengthened the influence of the rising merchant class, which, in search of an expansive market, became an ally for the consolidation of monarchical power over feudal divisions. The emergence of the modern, sovereign state was given its theoretical explanation and justification in the works of theorists such as Jean Bodin and Thomas Hobbes. Also, the religious wars of the sixteenth and the seventeenth centuries had demonstrated the impossibility of imposing a unified dogma throughout Europe by the force of arms. The current of ideas which later came to be known as liberalism thus emerged in an environment characterized, on the one hand, by the rise of modern, sovereign state and by the assertion of the theory of absolute monarchical power, and on the other hand, by the fresh memory of religious wars, and thus also by the recognition of the importance of freedom of religion. In this context, liberalism took as its main tasks the assertion of individual freedom from the authority of the state as well as from the church.

3. Liberalism as a Strategy of Institution-Building

A characteristic feature of liberalism is that, in attempting to ensure the freedom and dignity of individuals, it adopted a distinctive strategy of institution-building. The first point in this strategy was the legal recognition of the personal freedom and autonomy of individual persons. Certain types of freedom can exist in a world without law. Yet, liberalism seeks to protect individual liberty by way of defending the legal rights of individuals. The rights of individuals were codified in England through legal instruments such as the Petition of Rights (1628), the Bill of Rights (1689), and were adopted, expanded, and universalized in the American Declaration of Independence (1776), and in France, in the Declaration of the Rights of Man and of the Citizen (1789).[7] Starting in the nineteenth century, the argument for a more activist state gained strength

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[7] It should be noted, though, that who should enjoy what sort of rights has remained a contested question to this very day. Restriction of individual freedom and rights on the basis of property, education, gender, race, and other categories persisted for centuries, and new forms of discrimination are uncovered as new rights are asserted.

over the more classic argument for a minimal, "night watchman state." Advocates for a more activist state claimed that, individuals would not be able to exercise their freedom effectively unless they have some basic education as well as minimum degree of economic welfare, and that the state has the responsibility to provide basic education and welfare to individuals. The debate between classical liberals and advocates of a modern welfare state has continued to this day.

The second element in the liberal institution-building strategy is the separation between religion and politics. The starting point of liberalism was the decision to separate religious questions from politics. In order to end religious warfare, the question of ultimate value was removed from the political arena, and was entrusted to the choice of each individual. In order to ensure individuals' spiritual freedom in the context of competing religious beliefs, it was necessary above all to avoid the imposition of a particular dogma on individuals through the coercive power of the state. This required either that the state stand on the basis of separation of politics and religion, or at the least, acknowledge the freedom of religious practices for religious minorities. The separation of religion and politics means that individuals and groups are also asked to renounce the hope of shaping the public sphere in the image of their own religious values. In this manner, religions ceased to be the central domain which regulates other spheres of human life, and was relegated to one segment in the private sphere. Politics no longer sought to promote ultimate values on this Earth; instead it focused on building the conditions in which each individual could pursue his/her interests or values.

The third element in the liberal strategy of institution-building involves concentration of coercive power in the hands of the state, coupled with strict limits on the exercising state power, with the purpose of preventing infringement upon individual rights. In many ways, this constitutes the core element in the liberal institution-building strategy. The main task of the modern, sovereign state has been to put an end to a state of civil war and to create an orderly condition through monopoly in the exercise of legitimate force. Putting an end to the exercise of random, private violence is essential also for the guarantee of individual liberty. To this extent, liberalism approves of the concentration of the means of violence in the hands of the state. But at the same time, liberalism is weary about the danger that the state, with its concentration of coercive power, could pose to individual citizens.[8] As James Madison put it, "you must first enable the

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[8] John Locke, *The Second Treatise of Government*, Section 137.

government to control the governed; and in the next place oblige it to control itself."[9] Key ideas of liberalism such as the rule of law and constitutionalism both pertain to this element in the liberal institution-building strategy. For the rule of law to prevail, and for the power of the administrative branch to be kept within the limits of constitutionalism, it is necessary for the legislature and the judiciary to check and balance against the administrative branch of power. Further, private organizations should flourish and prevent the overconcentration of power in the hands of the government. To check the power of the government, it was considered necessary that the sovereign power of the state be divided and balanced against each other.

This idea of preventing the abuse of power by dividing it, and of checking power by countervailing power, has played a significant role in the history of Western political and social thought. As Machiavelli and Hobbes recognized well, human beings, who now achieved autonomy from God, were not purely rational beings. Rather, they were driven by a variety of passions, including dangerous ones. How to restrain the outburst of irrational passions was one of the central issues in early modern European political and social thought. One approach proposed to restrain such outburst was the idea of "checks and balances," in which a countervailing passion was to be mobilized in order to restrain another passion. Another approach was the idea of substituting irrational "passions" with supposedly rational "interests," particularly economic interests.[10] Both of these ideas were incorporated into the liberal institution-building strategy. The idea of "checks and balances," by helping prevent the concentration of power in the executive branch of the government, buttressed the ideas of constitutionalism and of the rule of law, and thus contributed to the third element of liberal institution-building. The idea of substituting passions with interests became the fourth element of liberal institution-building strategy. While liberals were wary of such "dangerous passions" as religious zeal and thirst for power, they saw the cravings for economic wealth as less dangerous, and sought to redirect human energy away from the former into the latter. If men are motivated by rational interests rather than by passions, then they would have only "competitors," and no "enemies." In this manner, liberalism seeks to mitigate the conflict among potential adversaries, and to transform politics from irreconcilable struggle into

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[9] James Madison, *The Federalist Papers, No. 51.*

[10] Albert O. Hirschman, *The Passions and Interests: Political Arguments for Capitalism before its Triumph* (Harvard UP, 1977); Stephen Holmes, *Passions and Constraints: On the Theory of Liberal Democracy* (University of Chicago Press, 1995), pp. 23-27.

manageable deals and negotiations.[11]

Liberalism starts out with the assumption of autonomous individual, and it has sought to bring about peace to society and to protect individual freedom and dignity through a multi-faceted strategy of institution-building, including reshaping human motivation (interests rather than passions), restriction of access to dangerous political resources (restriction on the exercise of coercive power, separation of politics and religion), and regulating politics with legal rules. Domestically, this strategy achieved major successes. The individuation of religious belief removed religion from being a focal point of political struggle, and thus contributed to domestic peace as well as to freedom of religion and thought. In polities which succeeded in concentrating coercive power in the hands of the government, and in subjecting it to constitutional restraints, violence ceased to be an effective instrument of political competition. In such polities, it became possible for people to act without fear of illegitimate violence, and to make deals with strangers. This fact, along with the removal of restrictions based on status, facilitated economic development. As the economy grew, the view of rational human beings motivated by interests rather than by passions became more realistic. Thus, in countries where the conditions were right, liberalism succeeded in realizing an unprecedented level of material wealth, in addition to guaranteeing individual freedom.

4. Liberal Approaches to International Relations

At its inception, liberalism was a project designed to reform the political, social, and economic order within states, within the framework of modern states and of the modern system of states. It did not offer a comprehensive theory as to how the world should be organized politically. Fundamental questions about the constitution of political society, such as who exactly constitute a political society, where the boundaries of political societies are to be drawn, or whether the world should be divided into multiple political societies in the first place – theses questions remained peripheral to the main concern of liberal thinkers. Geography and history had solved these issues, and liberal thinkers took the framework of their political societies for granted in developing their ideas. Moreover, in the nineteenth century, liberalism developed in lockstep with the rise of nationalism. People became members of the nation, and they began to participate in the political process more actively. This strengthened the tendency within liberalism to take

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[11] Carl Schmitt, *The Concept of the Political* (University of Chicago Press, 1996).

sovereign, nation-states as the self-evident framework for the practice of liberal politics.

Nevertheless, liberal thinkers could not ignore the role of international relations, for tension in international relations could influence domestic politics and threaten individual freedom.[12] Moreover, since the eighteenth century, under the influence of Enlightenment thought, liberalism began to develop in the direction of universalism not easily contained within the bounds of sovereign, nation-states. From the viewpoint of liberal universalism, what needed to be secured was not the freedom and dignity of particular peoples, but of all human beings. Given such an orientation, the aspirations of liberalism cannot be satisfied by reforms in a single country, and it stands in tension with sovereign states and nations states as such. The notion that the rights of all individuals must be guaranteed could limit the sovereign rights of states to order its own internal affairs at their own discretion. More fundamentally, the legitimacy of the existence of separate states itself is questionable from the viewpoint of liberal universalism. Among liberal theorists, the debate between cosmopolitans and internationalists have continued down to this day.[13]

As a matter of practical policy, of course, liberals had to accept the reality of the system of sovereign states and to promote liberal values in the context of the sovereign states system. But it was not clear how liberalism was to be applied to international relations. As we have seen, the core of liberalism are the values of individual freedom and dignity, and a set of institutions designed to realize those values. But those institutions were designed primarily for the purpose of ensuring individual freedom in the domestic context; they did not fully answer the question of how a system of sovereign states could be regulated and managed. Obviously, to materialize liberal values in the broader context of international system, each state had to be organized in such a way as to respect the freedom and dignity of individuals. It was also evident that war threatened individual freedom through mobilization for war, and through regimentation of the society. To address the danger of war, liberal thinkers searched for and found three major approaches to achieving lasting peace among states: peace through democracy,

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[12] As Immanuel Kant put it, "[t]he problem of the establishment of a perfect civic constitution depends upon the problem of a lawful external relationship of the states and cannot be solved without the latter." Kant, "Idea for a Universal History with Cosmopolitan Intent," in Carl J. Friedrich, ed., *The Philosophy of Kant* (New York: The Modern Library, 1949), p. 123.

[13] Anna Stilz, *Liberal Loyalty: Freedom, Obligation and the State* (Princeton UP, 2009).

peace through trade and economic development, and peace through international law and organization.[14]

The first approach (known as "republican liberalism") claims that political regimes which respect individual freedom and rights domestically are peace-loving internationally, and argues that peace among states can be achieved through the spread of liberal, democratic regimes. While this argument goes back to eighteenth-century thinkers including Kant and Thomas Paine, the theory was reformulated since the 1980s in the form of the so-called democratic peace theory. According to this new formulation, democratic states do sometimes fight against non-democratic states, but they do not fight against one another. Thus, so the argument goes, to spread democracy around the world contributes to peace around the world. The democratic peace theory has generated a major wave of academic research, and has also influenced the policy and rhetoric of many Western states, above all that of the United States. In terms of the three conditions for the stability of social order introduced at the beginning of this chapter, republican liberalism seeks to stabilize the international order by creating a community of values in the international society.

The second liberal approach to achieving international peace is the idea of "commercial liberalism," which claims that economic development of states and the deepening of international economic ties will bring about peace, and make freedom and prosperity possible. The best-known argument within the commercial liberal tradition claims that when states become economically interdependent through trade, investment, and value chains, the cost of severance of economic ties among states increase, leading to decreased likelihood of war. But there are other arguments linking economic development, trade, and peace. One such argument says that industrialization and the development of the world market effectively sever the linkage between national wealth and the size and quality of arable land, or the availability of natural resources, thus decreasing the incentives states have to engage in territorial aggrandizement. Another claims that, due to the dependence of industrial economies on geographically concentrated, vulnerable infrastructure which is difficult to rebuild, economic damage of war is greater in a highly sophisticated modern industrial economy, which makes states think twice before resorting to war. Furthermore, it is claimed that in industrial societies, the increased need

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[14] Robert Jackson and Georg Sorensen, *Introduction to International Relations: Theories and Approaches*, 7th ed., Oxford University Press, 2019.

for educational investment as well as changes in people's values lead to long-term decrease in the birth rate. This situation increases the social cost of the death of youngsters in war, and provides an additional incentive to avoid war, particularly a war in which large number of casualties are expected.

One strength of commercial liberalism is its wide applicability. Regardless of the political system or ideology of the state concerned, commercial liberalism gives incentives for maintaining peaceful economic ties to any state that seeks economic benefits in the world market. Its weakness is that economic ties alone are not likely to be sufficient to prevent military conflicts. The early-twentieth century was the period of the first round of globalization, characterized by expansion in the global flow of goods, money, and people. And yet, such economic ties did not prevent the First World War from occurring. Commercial liberalism diverts the attention of states away from passion-laden questions such as territory and status toward economic questions. In doing so, it attracts a number of states by promoting shared interests. But shared interests alone are unlikely to provide a stable foundation for an international order.

The third liberal approach to international relations, known as "institutional liberalism," originated in the attempt to apply to the international sphere the institution-building strategy of "concentration of coercive power and of limitation on its exercise." If successful, such an attempt would provide an effective backing of coercive power to a liberal international order. Yet, this strategy is not easy to apply to international relations, in which coercive power is dispersed in the hands of multiple sovereign states, and in which the effectiveness of legal rules is limited. The unavailability of this core element in liberal institution-building strategy has been the biggest obstacle in applying liberalism to international relations. In the eighteenth and nineteenth centuries, division of power and checks and balances among states was the dominant idea as a way to manage coercive power in international relations. Balance of power was the prevailing idea in international relations.

Today, it has become almost axiomatic to associate the balance of power with realist theory of international relations. Yet, the idea of balance of power is similar to the notion of division of powers in domestic politics in that both seek to prevent the hyper-concentration of power and to guarantee the freedom of actors. Seen in this light, the idea of balance of power may be regarded as reflecting a "liberal" approach to

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international relations.[15] The notion that balance of power is the guarantee of the "freedom of Europe" was repeatedly voiced by political theorists of the eighteenth to early-nineteenth century, including David Hume and Emmerich de Vattel, among others.[16] Balance of power was sometimes compared to self-equilibrating mechanism of the market. Just as the pursuit of individual economic gain produced harmony of interests in the market, it was believed that the pursuit of national interest by each state was expected to produce some sort of equilibrium and harmony in the system of states.[17]

Yet, the basic purpose of balance of power was to ensure the independence and freedom of each state by preventing the rise of a hegemonic state. In other words, balance of power was not designed to achieve lasting peace among states, and its effectiveness as a means of preventing wars was rather questionable. After major wars, the ineffectiveness of balance of power as a means of preventing wars was recognized, and at times, arguments were advanced about the need to move toward greater concentration of coercive power. For instance, during the so-called Congress era following the Napoleonic Wars, a vision of great-power concert – of pooling the collective might of the great powers in the service of maintaining the stability of Europe – was advanced and in part realized, if only temporarily. During the Congress era, the notion of balance of power was used to underscore the importance of the freedom of individual states, including small states, as against the constraints of international order dominated by the great powers. From the late-nineteenth century onward, the concept of balance of power acquired increasingly power-political connotation.[18] Yet, liberalism and balance of power were not regarded as necessarily contrary to each other.

Following the First World War, however, balance of power came to be regarded negatively by many liberals as the system which was responsible for the occurrence of the Great War. In particular, Woodrow Wilson rejected the balance of power as part and parcel of the system of "old diplomacy," and sought to replace it with a system of

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[15] Deborah Boucoyannis, "The International Wanderings of a Liberal Idea, or Why Liberals Can Learn to Stop Worrying and Love the Balance of Power," *Perspectives on Politics*, Vol. 5, No. 4 (December 2007), pp. 703-727.

[16] Evan Luard, ed., *Basic Texts in International Relations* (London: Macmillan, 1992), pp. 389-399.

[17] E.H. Carr, *The Twenty Years' Crisis 1919-1939: An Introduction to the Study of International Relations* (New York: Harper & Row, 1946), p. 45.

[18] Morten S. Andersen, *A Genealogy of the Balance of Power*, Ph.D. Thesis, London School of Economics and Political Science, 2016, Chapter 8.

collective security. This turn of events had a significant influence on the development of liberal ideas on international relations since the twentieth century. The notion that balance of power is incompatible with a liberal reform of international relations became an article of faith. Thus, ever since the First World War, liberal theories of international relations have spurned the notion of balance of power (which came to be associated with realism), and emphasized the importance of achieving peace through restraints on the behavior of sovereign states by means of international law and of international organizations. This is what came to be known as "institutional liberalism."

One pillar of institutional liberalism is international law. All human beings derive some benefit from cooperation with others. Without such cooperation, no individual would be able to enjoy the comforts that most of us take for granted. If individuals wish to build stable cooperative relationship with many others and enjoy the benefits of wider cooperation, they must win the trust of others by keeping the promises they make.[19] The same truth applies to states. Sovereign states, however powerful they may be, cannot ignore the rules of the international society if they wish to derive benefit from cooperation with other states. This explains why international law is observed most of the time, despite the lack of reliable mechanism for enforcement. Yet, the problem with international law is that states may still choose to ignore international law when their vital interests are at stake. The attempt to achieve peace through international law has limited effectiveness because states may ignore international law precisely over those issues which might cause armed conflicts.

The other pillar of institutional liberalism is the notion of peace through international organizations, which includes several varieties. The most ambitious is the idea of collective security, which is at the core of both the League of Nations and of the United Nations. Collective security holds that security of all states is indivisible, and seeks to mobilize the collective military power of the international community whenever a state becomes the victim of aggression by another state. But the notion that security is indivisible belongs more to the realm of principles than of reality. When the state under attack is geographically distant, and has only tenuous link with one's own national interest, it may seem unclear what the state that sends troops in harm's way gains from

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[19] Promises and agreements can be either bilateral or multilateral. In the liberal tradition, general, multilateral rules (and if possible, universal rules that binds everyone equally) are often preferred over ad-hoc, bilateral deals, because liberalism builds upon the principle of equality under law, and because it prefers not to recognize the notion of the "enemy."

doing so. The cost of intervention in a distant conflict may be even higher if the aggressor state is a great power. In such cases, only states whose vital interests are at stake are likely to take any substantial measure to resist aggression. Proponents of collective security argued that aggressor states would be easily deterred or defeated when faced with the combined forces of the international community, but given the costs of collective action, it is not easy to build a wide enough coalition to deter or defend against powerful aggressor states. The failure of collective security mechanisms is one of the clear lessons of the history of the League of Nations and of the UN.

This does not mean that attempts to promote peace through international organizations are necessarily ineffective. The development of international organizations facilitates diplomatic negotiations, thus encouraging peaceful resolution of disputes. The peace-keeping and peace-building activities of the UN, though they were not part of the original mandate of the UN, have contributed to resolving regional conflicts and civil wars. More generally, international organizations decrease the transaction costs of diplomatic negotiations by providing states with permanent fora for discussion, and thereby promote cooperation in politics, economy, and in many other fields. Interstate cooperation facilitated through international organizations binds states' interests with those of other states, and increases the cost of severance of ties. In other words, cooperation through international organizations can enhance the effect of commercial liberalism, and contribute to peace through synergy effect. Yet, the fact that balance of power was expelled from liberal theory of international relations, and that collective security introduced in its place did not function as it was supposed to may be regarded as a major weakness in the liberal approaches to international relations.[20]

Thus, liberal approaches to international relations came to consist of three main pillars – spreading democracy, economic development and interdependence, and international law and organization. At this point, it is useful to give another, more concrete definition to the concept of a liberal international order in the light of the foregoing discussions. Liberal international order may now be defined as "a condition in which liberal democratic states get together and form a community, respect international law, bind

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[20] It should be noted, though, that difficulty in achieving stable peace among sovereign states is not a problem limited to liberal approaches to international relations. From the realist viewpoint, too, lasting peace is attainable only under favorable conditions not easily fulfilled, such as the existence of a stable balance of power, or the existence of a status-quo oriented hegemonic state.

themselves together through shared membership in international organizations, build relations of economic cooperation through trade, investment, etc., and through those measures provide stable guarantee for the freedom and dignity of individuals within their jurisdictions." Referring back to the three conditions for the stability of social orders introduced at the beginning of this paper, one might say that liberal international order seeks to support itself through the sharing of common values (liberalism, democracy, human rights, etc.) and common interests (economic interests). On the other hand, a purely liberal international order is rather weak when it comes to backing the international order with effective coercive power. Let us now turn to a brief examination of the historical development of the liberal international order during the past century or so.

5. The Liberal International Order during the Interwar Era

The First World War was a major turning point in the history of international politics. The fratricidal war in debilitated the great powers of Europe, while the influence of non-European powers such as the US, Japan, and the Soviet Union (now less European and infused with fresh ideological zeal) grew. Equally important, the ruling strata as the general populace in Europe lost confidence in their ability to manage international politics through the traditional instrument of balance of power, and began to search for new ways to ensure international peace and stability.[21]

With European powers enfeebled, it was the United States which led the effort to build a new international order in the wake of the Great War. Ever since the nation's founding, Americans saw their country as "a land of freedom," happily free from the European diseases of "tyranny and incessant warfare." In his Farewell Address, George Washington had warned against "entangle[ing] our peace and prosperity in the toils of European ambition [and] rivalship," and advised to keep America's political relations with European states at a minimum level. According to Thomas Jefferson, "The principles of society there [in Europe] and here [in America] are radically different… [As Europe was the domicile of despotism,] our endeavor should surely be to make our hemisphere that of freedom."[22] Moreover, the "American exceptionalism" evident in

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[21] A.J.P. Taylor, *The Origins of the Second World War* (New York: Simon and Schuster, 1995), p. 30.
[22] Thomas Jefferson, *Memoirs, Correspondence, and Private Papers of Thomas Jefferson*, Vol. IV, Henry Colburn and Richard Bentley, 1829, p. 337 and p. 391.

these pronouncements were mere compromises which Americans were forced to accept due to the difficulties encountered in their attempt to spread American ideals, which, in theory, was destined for universalization. Behind exceptionalism and isolationism lurked the burning aspiration that the new nation should, as a "shining city upon a hill," should serve as the guiding beacon for the entire humanity.

It is therefore not surprising that the collapse of the Euro-centric international order based on the balance of power principle was seen by some Americans as a providential opportunity for the US to demonstrate that the application of America's liberal ideals need not be limited to the Western Hemisphere. American liberalism now had to be turned into the guiding principle of world politics. On January 22, 1917, three months before the US entry into the War, President Woodrow Wilson expressed his determination to play a leading role in the peace-making, stating in his Speech to the Senate: "the people of the United States… have sought to prepare themselves [to lay a new foundation for peace among nations]… ever since the days when they set up a new nation in the high and honourable hope that it might in all that it was and did show mankind the way to liberty."[23] In the same speech, Wilson revealed his intention to reform the international order in a more liberal direction, calling for "peace without victory," and stating that "[t]here must be, not a balance of power, but a community of power; not organized rivalries, but an organized common peace." Wilson's ideas for a postwar liberal reform of the international order were later articulated in the famous Fourteen Points (January 8, 1918).

As Wilson sought to reform the old international order, he had to deal with communist challenges to his reformist ideas at the same time. Rejecting Lenin's claim that colonial rivalry and war were inevitable as long as capitalism continued, Wilson attributed the cause of the First World War to undemocratic political systems and militaristic tendencies in European states, particularly in Germany and Austria. Wilson thereby exonerated capitalism from the charge of causing the war. At the same time, by declaring the principle of "national self-determination," he sought to separate capitalism from colonialism.[24] By applying the notion of "freedom and autonomy of individuals" to the

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[23] Woodrow Wilson, "*Address of the President of the United States to the Senate, January 1917,*" https://history.state.gov/historicaldocuments/frus1917Suppl01v01/d22 (last accessed April 21, 2021.

[24] Arno J. Mayer, *Wilson vs. Lenin: Political Origins of the New Diplomacy, 1917-1918*, Yale University Press, 1959.

international realm, Wilson sought to strengthen the legitimacy of the liberal international order he was proposing.

Not without reason is Wilson's attempt at a liberal reform of the international order often regarded as marking the beginning of the liberal international order. Wilson was the first policymaker who proposed a vision of a liberal international order in any systematic fashion, and made it a reality, albeit only partially. Wilson called for a wholesale reform of the international order. In his words, "What we are striving for is a new international order based upon broad and universal principles of right and justice,—no mere peace of shreds and patches."[25] The "Fourteen Points" included provisions which, despite the vagueness of the language, pointed to national self-determination, as well as provisions on "open diplomacy" (which was understood as a step toward democratic control over foreign policy), freedom of navigation, removal of economic barriers, disarmament, as well as on the establishment of a "general association of nations." Despite its ambiguities and compromises, Wilson's vision pointed to a liberal international order in which nations, exercising their right of self-determination as well as democratic control over its foreign policy, assembled to form international organizations, and were bound together by close economic ties.

Yet the international order in the interwar era contained many weaknesses. After the First World War, the legitimacy of colonial rule was seriously questioned. Yet the principle of national self-determination was applied only selectively. The vast colonial empires of Britain, France, and some other states became targets of criticism not only by the Soviets and communist fellow travelers, but also by nationalists in the so-called "have-not" powers including Germany, Italy, and Japan. Among independent nations, only a handful were stable democracies.[26] The decision by a number of states to return to the gold standard at the prewar parity destabilized their economies and undermined the legitimacy of liberal democracy. In the sphere of security issues, the system of collective security embodied by the League of Nations did not work effectively. The balance of power mechanism, which could have compensated for the weaknesses of

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[25] Woodrow Wilson, *Address of the President of the United States Delivered at a Joint Session of the Two Houses of Congress, February 11, 1918,*
https://history.state.gov/historicaldocuments/frus1918Supp01v01/d59, last accessed April 21, 2021.

[26] According to the data from the Polity Project, there were 22 democratic states in 1928, but the number declined to 15 by 1939.

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collective security system, did not function, either. The United States, which was by then by far the largest economy in the world, assumed an isolationist stance. While the US Navy was the largest in the world, on a par with the British Navy, the size of the US Army was no more than 140,000 troops as late as 1935, smaller than the Army of Czechoslovakia (200,000 troops).[27] Small wonder that liberal democratic states had trouble countering the massive arms buildup by dictatorial states such as Germany, Italy, the USSR, and Japan. The foundation of the international order during the interwar era was weak in all three pillars – legitimacy in terms of shared values, shared material benefits, and the backing of coercive force. By 1940, the order had crumbled to pieces.

6. The Liberal International Order in the Post-WWII Era

The liberal international order that was reconstructed and led by the United States after the Second World War by contrast achieved much greater success. The core area covered by this order was limited to states in the "Western" camp, including North America, Western Europe, Japan, Australia, etc. But the order's scope extended more broadly through trade, foreign aid, and through military alliance and security ties. Four factors contributed to the success of this order.

First, the Second World War and post-war changes destroyed the colonial empires. By the mid-1970s, most colonial dependencies disappeared, and the sovereign states system became global for the first time in history. Among the newly independent states, there were many whose framework was given by boundaries arbitrarily drawn during the colonial era, and which struggled to achieve any semblance of national unity. Some of them descended into civil war, and became "failed states." Nevertheless, the disappearance of colonial empires removed the biggest sore spot in the legitimacy of the international order.

Second, the challenge to the liberal international order "from the right," posed by the Axis Powers during the Second World War, was crushed militarily and morally delegitimized. This, along with the fact that the process of decolonization sapped the influence of the communist critique, strengthened the legitimacy of liberal principles advocated by the US and its allies.[28] Democracy became entrenched not only in those

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[27] US Department of Defense. *Selected Manpower Statistics Fiscal Year 1997*, p. 51.

[28] Naturally, the experience of extreme right-wing nationalism during the Second World War aroused widespread skepticism of nationalism in the postwar era, particularly in the

states which maintained democratic regimes in the interwar era, but also to the former Axis states of Germany, Japan, and Italy. As a result, Western Europe, North America, Japan, and a few other states emerged a stable community with shared values.

Third, the postwar liberal international order enjoyed the backing of the preponderant political and military power of the United States. While US public opinion was inclined toward isolationism through much of the interwar period, momentous changes in the international environment, including the rise of Nazi Germany, the Japanese attack on Pearl Harbor, and the rise of the Soviet military power convinced the Americans of the need for the US to play a leadership role in the world and to be committed to strategically important regions. The commitment of the American will and hegemonic power to the defense of the Western camp and to the containment of the Communist bloc, along with strategi stability in East-West relations achieved through nuclear deterrence, contributed enormously to the security of the liberal international order, and laid the groundwork for economic prosperity in the Western world. Soviet threat and the rise of the Cold War infused a strong element of realism in American foreign policy thinking, and this helped compensate for the weakness of the liberal international order in securing its own support in terms of coercive power.

Obviously, this did not mean that American policymakers were converted to the doctrine of traditional realism. Franklin Roosevelt understood that, in order to secure the backing of US public opinion for American commitment to international leadership, it was necessary to raise the banner of "recreating the world in America's image." In other words, Americans would engage the world only for the purpose of spreading American ideals. To be sure, the United Nations incorporated more elements of realism than did the League of Nations. Nevertheless, the UN was still an organization designed to bring the world under a universal scheme of collective security. As such, it was an organization whose existence could symbolize a liberal transformation in world politics and provide the justification for America's conversion to internationalism. [29] What

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Western world. However, postwar critique of nationalism often took the form of blanket criticism, rather than criticism of its extreme manifestations. This tendency in Western public opinion tended to weaken the legitimacy of the framework of sovereign, nation-states, which to this day remains the basic building blocs of the international order.

[29] According to an April 1945 opinion polls, 81% of Americans supported US membership in a "world organization with police powers," and 83% of those people felt that this was a "very important matter." See John G. Ruggie, *Winning the Peace: America and World Order in the New Era* (Columbia University Press, 1996), p. 33.

generated the domestic support for America's commitment to a US-led international order was a "universalistic nationalism" which asserted the superiority and universal applicability of the American ideals.

Roosevelt's vision for a UN-centered postwar order was destined not to materialize in its original form. With the deepening of the Cold War, a system of collective self-defense or security alliances centered around the United States had to take the place of the UN collective security system as the mainstay of the postwar liberal international order. This system of collective self-defense bore some basic resemblance to alliances in traditional balance-of-power system in that it was designed to protect friendly states from hypothetical enemies such as the USSR. But in some respects, they were markedly different from traditional alliances. Such differences included the long-term stationing of US troops (in the case of NATO, troops from other member states) in allied states, which mitigated their fear of abandonment (as well as fear of former enemy states such as Germany and Japan), the attempt (though not quite successful) to form a new type of security community in which there was division of labor among allied states, so that no state (other than the US) possessed a full range of military capabilities, reinforcement of military alliances with political and economic cooperation, and the fact that the alliances have persisted for more than half a century. The distinctiveness of postwar US-centered alliance system is that it infused liberal institutionalism with the realist element of "peace through strength," and thereby formed exceptionally stable security ties which Daniel Deudney and G. John Ikenberry appropriately called "security co-binding." As a result of this strategy of liberal institution-building (now infused with a healthy dose of realism), the post-war liberal order was secured not only against external threats, but also from sources of instability arising from relationships among allies.[30]

The fourth factor which contributed to the success of the postwar liberal international order was that it struck a balance between capitalizing on the dynamism of the world market on the one hand, and protecting the stability of domestic economy and society, on the other. The vision for a postwar international economic order reflected, on the one hand, the determination not to repeat the experiences of the 1930s, when the division of the world economy into competing trading blocs fanned security tensions among the great powers. For this purpose, it was believed that an open trading system based on

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[30] Ruggie, *Winning the Peace*, pp. 50-106; Daniel Deudney and G. John Ikenberry, "The Nature and Sources of Liberal International Order," *Review of International Studies*, 25 (2) 1999, pp. 179-196.

non-discrimination and multilateralism was indispensable. On the other hand, learning from the experiences of the Great Depression, makers of the postwar order provided escape hatches through which policy makers could protect national economies from the negative impact of instabilities in the world market. John G. Ruggie has termed the policy package reflected in this order "embedded liberalism."[31] Embedded liberalism was an attempt to capitalize on the dynamism of the expanding world economy without exposing national economies to undue instabilities. This policy package, coupled with US assistance for the economic recovery of Western Europe and Japan, allowed Western economies to enjoy unprecedented prosperity and growth in the postwar decades, which in turn contributed to entrenching democratic political systems in these countries.

The postwar US-led liberal international order was not devoid of weaknesses. As European and Japanese economies enjoyed "miraculous" growth, and as the US lost its hegemonic position in the world economy, the gold-dollar standard had to be replaced by the floating exchange rate system. Keynesian policy of managing effective demand seemed to lose its effectiveness by the 1970s, and policies of privatization and marketization became the order of the day. Embedded liberalism was gradually eroded as the 1980s wore on. Yet, far deeper was the crisis faced by the command economies of the socialist bloc, and the Cold War ended with the collapse of communist regimes in Eastern Europe and the USSR, and with the policy of reform and opening up in China.

7. The Liberal International Order after the Cold War

The end of the Cold War was widely regarded as the victory of the ideology of liberal capitalist democracy over communist dictatorship. In the Western world, the euphoric vision of the global expansion of liberalism gained influence. With the entry of China and India into the global market, capitalist economy acquired nearly global reach. Democratization of former communist states in Eastern Europe and in the former Soviet Union accelerated the so-called "Third Wave" of democratization, which had started in regions such as Southern Europe, Latin America, and East Asia in the mid-1970s.[32] The US, which was by then the only superpower in the world, sought to take advantage of

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[31] John G. Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," *International Organization*, Vol. 36, No. 2 (1982), pp. 379-415.
[32] According to the Polity Project data series, the number of democratic states increased from 43 in 1984 to 89 in 2004, and to 99 by 2018.

this situation to consolidate US primacy in the world for decades to come.[33] In this optimistic atmosphere, Western governments advocated the expansion of the liberal international order whose scope had hitherto been limited to advanced Western democracies and to a handful of developing countries.

The main pillars of the strategy adopted to advance this goal included the expansion and deepening of the capitalist world market, the enlargement of democracy and its upgrading, as well as the reorganization and enlargement of various international organizations. The advanced Western states announced a policy of assisting the democratization and marketization of the ex-communist states. The "Political Declaration" of the 1990 Houston G7 Summit meeting, having "underscore[d] that political and economic freedoms are closely linked," stated that "[e]ach of us stands ready to help… those countries that choose freedom, through the provision of constitutional, legal, and economic know-how and through economic assistance, as appropriate." [34] Advisors and specialists of all sorts, covering everything from constitutional law, judiciary and elections to the stock market, corporate accounting, human resources management, telecommunications, and factory automation were sent to countries of Eastern Europe, the former USSR, and some other "transition countries" to help out. For countries of Eastern Europe, the Copenhagen Criteria which they had to meet as the condition for admission to the European Union provided a powerful incentive for democratization and marketization. Western assistance in democratization of former communist states was not necessarily channeled through the governments of those states; a major focus was on the strengthening of the civil society. As was the case in some of the so-called "Color Revolutions," assistance was at times directed to (supposedly) democratic political forces trying to overturn existing, authoritarian regimes. In the case of Iraq War of 2003, achieving "regime change" even became a major *casus belli*.

The third pillar of the strategy of enlargement of the liberal international order (apart from democratization and marketization) was the promotion of international integration through international and supranational organizations, and the infusion of liberal values

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[33] Hal Brands, "Choosing Primacy: US Strategy and Global Order at the Dawn of the Post-Cold War Era," *Texas National Security Review*, 1 (2), 2018, pp. 8-33.

[34] Japanese Foreign Ministry Website: "Documents of Summit Meetings in the Past" https://www.mofa.go.jp/policy/economy/summit/2000/past_summit/16/e16_b.html (last accessed April 25, 2021).

into these organizations. For our purposes here, international organizations must be classified into several types. First, there were nearly "universal" international organizations, including the United Nations and its specialized organs. Second, there were organizations for security and regional integration established within the Western camp, such as the NATO and the European Community (later European Union). Third, there were organizations for economic cooperation, in which not only advanced Western states but also many developing nations were members. These included the IMF, World Bank and GATT, among others. Fourth, there were organizations of cooperative security bridging the Eastern and Western bloc states, such as the CSCE (later OSCE). Fifth, there were a number of organizations, newly established at or after the end of the Cold War, which were designed to promote economic integration or regional cooperation (such as the APEC, NAFTA, and Mercosur). The policies pursued by leading Western states was to infuse existing organizations with such "Western" values as liberal democracy and respect for human rights, and to enlarge the scope of Western security alliances and organization for regional integration, and thereby to expand the scope of the liberal international order.

Another notable development in the post-Cold War era was the spread, especially among the elite segment of the Western public, of a more universalistic interpretation of liberalism, and of the attempt to weaken and to undermine the framework of the sovereign states system. The two world wars in the first half of the twentieth century left the educated strata in Europe with the idea that sovereign, nation-states were "relics of the past," and the influence of this idea grew even stronger in the post-Cold War era. European Commission President Jean Claude Juncker's 2016 remark that "borders are the worst invention ever made by politicians" [35] may perhaps be dismissed as a rhetorical flourish, but Chancellor Helmut Kohl spoke for a large majority of European elites when he said in a 1996 speech that "the nation-state of the 19th century cannot solve the great problems of the 21st century," and that "if we lack the impetus to continue the project of integration, there will not only be stagnation but also regression." [36] The notion that the sovereign states system is outdated and that the world is headed toward supranational integration was trumpeted also in North America, Australia, Japan, and

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[35] *The Independent*, August 22, 2016.
https://www.independent.co.uk/news/world/europe/national-borders-are-worst-invention-ever-says-ec-chief-jean-claude-juncker-a7204006.html (last accessed May 2, 2021).
[36] Speech at the Catholic University in Leuven, from the German Historical Institute Website: https://ghdi.ghi-dc.org/sub_document.cfm?document_id=3740 (last accessed May 2, 2021)

elsewhere. For instance, the noted journalist Strobe Talbott wrote in July 1992 that "nationhood as we know it will be obsolete; all states will recognize a single, global authority." Even with the addition of the time frame of "within the next hundred years," this was a rather remarkable assertion from a future Deputy Secretary of State (1994-2001) in that it predicted an end to US "independence."[37] Even during the euphoric period of the early post-Cold War era, few commentators went so far as to claim that sovereign states would disappear within a matter of a decade or two. At the same time, however, few claimed that they have a positive role to play in the world. Mainstream journalistic discourse of the time made it appear as if sovereign, nation-states were like an appendix – a no longer functional institution left over from earlier stages of social evolution. While liberalism started out by accepting the framework of the sovereign states system, by the post-Cold War era, its universalist strand began to undermine that very framework.

Yet attempts by Western powers to expand the scope of the liberal international order came across a number of obstacles. First, except in the case of former East European states, it was difficult to incorporate former Eastern bloc states into international organizations centered around the leading Western states. This problem was most evident with respect to the reorganization of the Western bloc security alliances. Widely varying opinions were voiced as to the future of security alliances such as NATO, but for most policymakers, it was out of the question to disband such alliances and to leave the security of member states to UN-based collective security or to classic system of balance of power. Some made the argument that Russia and China should be drawn into Western alliance systems, but this was a remote possibility at best, for the substance of Western alliances was that states in the Western camp acknowledge the US as their leader, in exchange for protection which the US provided in terms of security. There was no chance that either China or Russia would accept US "protection." Nor was there any chance that the West would accept some sort of US-Russian "condominium" over Europe – not unless Russia was transformed into a stable democracy. If China or Russia were to participate in the Western alliance systems (without becoming stable democracies), they would have had to be admitted as observers, while keeping intact the basic parameters of the existing alliances.

The system of "security co-binding" which brought decades of stability in the

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[37] Strobe Talbott, "The Birth of the Global Nation," *Time*, July 20, 1992.

relationship among Western states became possible only because those states faced a clear external threat, and because the US, with its paramount power, could ensure the security of Western allies from that threat.[38] It was difficult to transform such a security arrangement into any universal system of security. Some argued that Western systems of collective self-defense should be turned into a system of collective security, coupled with elements of great-power concert including also Russia (and China).[39] Yet an agreement on "what constitutes a stable and acceptable international order," which was considered a necessary condition for workable system of collective security, was difficult to achieve. Given that an existing, universal system of collective security (the UN) was powerless, and given that tried and tested alliance system could not be readily transformed into some universal system of collective security or great-power concert, it was only natural that Western states chose to entrust their security on the familiar, US-centered system of alliances. The most prudent course of action for the West was perhaps to maintain the system of alliances, and to supplement it with more inclusive frameworks such as the OSCE or the ARF (ASEAN Regional Forum), which could help build confidence and trust between the Western states and their former Cold War adversaries, and eventually draw those states closer to the Western communities of states. But in actual fact, NATO expanded eastward, contrary to the assurances Western policy makers had given to the USSR, and this deepened Russia's distrust of the West.[40]

Second, even though the number of democracies increased in the post-Cold War era, external pressure for democratization aroused negative reaction in a number of states. The cases of Russia and China are particularly notable. Unlike the former Axis states of Germany and Japan, neither Russia nor China was ever placed under foreign occupation. Russia and China took pride in their status as autonomous great powers, and they did not wish to be integrated into the periphery of an international order centered around

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[38] NATO is unlikely to have been established were it not for the Cold War. Even if the Cold War existed, the shape of the transatlantic alliance would have been quite different had Western Europe been politically unified and economically independent, and stood on an equal footing with the US. In that case, the chances of the formation of an alliance involving long-term stationing of US troops in Europe would have been smaller compared with the situation in which US was the unquestioned leader of the West by virtue of its paramount power.

[39] Charles Kupchan and Clifford Kupchan, "Concerts, Collective Security, and the Future of Europe," *International Security*, Vol. 16, No. 1 (1991), pp. 114-161.

[40] Joshua R.I. Shifrinson, "Deal or Nor Deal?: The End of the Cold War and the US Offer to Limit NATO Expansion," *International Security*, Vol. 40, No. 4 (2016), pp. 7-44.

the West. For them, external encouragement and pressure for democratization was nothing other than illegitimate intervention in their domestic affairs. For the Chinese communist leadership, external encouragement for China's democratization was an attempt to achieve "peaceful evolution" (*heping yanbian*) of the communist regime, and it had to be countered by tightening of repression. Russian reaction to the "Color Revolutions" was basically the same. The attempt to bring about democratic regime change through external pressure and intervention brought about negative consequences also in regions outside the former communist bloc. One of the *casus belli* cited for the 2003 Iraq War was to bring about a domino of democratic regime changes in the Middle East. Yet, the collapse of Saddam Hussein's dictatorial rule and the exclusion of the members of the Baath Party from the new government led to political instability in Iraq, and to the later rise of the Islamic State. While some analysts claim that there is no firm evidence for a global "retreat of democracy,"[41] the US-based NGO Freedom House has documented a declining trend for democracy since the spread of democracy attained its peak in 2006.[42] The post-Cold War attempts to spread democracy have not produced the results that proponents of the attempt had hoped for.

Third, expansion of the capitalist world economy was the easiest mode of spreading the influence of the liberal international order. Yet, in the former Soviet states, marketization was accompanied by a precipitous contraction of the economy, by sometimes more than 50%, which made the process of democratic consolidation exceedingly difficult. The instabilities in the world capital market under neoliberalism was a negative factor for stable growth of the "emerging" market economies. The expansion of the capitalist world market destabilized the liberal international order also through its successes. Between 1990 and 2008, the world economy as a whole grew by 80%,[43] while world trade increased by 180%.[44] A more global market economy offered an opportunity for

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[41] Daniel Treisman, "Is Democracy in Danger? A Quick Look at the Data," Paper prepared for the conference on "Democratic Backsliding and Electoral Authoritarianism," Yale University, 2018, https://static1.squarespace.com/static/5a4d2512a803bb1a5d9aca35/t/5b19d7450e2e727770fa15f5/1528420167336/draft+june+7.pdf (last accessed May 2, 2021).

[42] *Freedom in the World 2020: A Leaderless Struggle for Democracy*, Freedom House, 2020, p. 2.

[43] World Bank website: https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.KD (last accessed May 2, 2021).

[44] Giovanni Federico and Antonio Tena-Junguito, "A Tale of Two Globalizations: Gains from Trade and Openness, 1800-2010," Instituto Figuerola de historia i ciencias sociales, Universidad Carlos III de Madrid, Working Papers in Economic History, https://e-archivo.uc3m.es/bitstream/handle/10016/22354/wh1602pdf?sequence=1 (last accessed May 2,

rapid economic growth to a select group of developing states which were prepared to take advantage of freer flow of trade, investment, and technology. As a result, the role of newly emerging economies expanded, while the share of G7 states in the world economy diminished from close to 70% back in 1989 to around 45% by 2015.[45] The expansion of the capitalist market was a major success for the liberal international order in that it lifted hundreds of millions out of poverty, and in that a number of states, including major states, became "associate members" of the liberal international order. Nevertheless, to the extent that the liberal international order have been propped up by the US and other advanced Western states, the decline in the G7's share of the world economy, and the rise of newly emerging economies, was an event which could undermine the foundation of the existing order. Obviously, the rapid rise of the "emerging markets" became possible precisely because of the existence of the liberal international order. It is not surprising, therefore, that the argument has been advanced that rising powers would have little incentive to change the basic character of the liberal international order which facilitated their own rise.[46] Yet, a "liberal international order" propped up by authoritarian states is unlikely to be stable, because it will be based only on shared interests, and will lack the foundation of shared values.

What many observers of international relations did not expect was the backlash against the deepening of global market integration and against the weakening of the ties of national unity, which was observed in many advanced democracies, including the US and the UK. Such negative reaction pointed to the existence of broad social strata in advanced Western societies which suffered economically as a result of globalization, and / or experienced threat to their identity from increase in the number of immigrants, weakening of the ties of national integration, or both.

The economies of advanced Western states continued to grow after the end of the Cold War, but economic disparities between the rich and the poor increased. Analysts point to a number of different factors that led to the economic difficulties experienced by workers in the advanced economies, not all of which are related to globalization. Yet, from the viewpoint of those who became "losers" in the new global economy, it was all

2021).

[45] Karim Foda, "The G7 Is Still Relevant," https://karimfoda.com/2016/05/26/the-g7-is-still-relevant/ (last accessed May 2, 2021).

[46] G. John Ikenberry, "Why the Liberal Order Will Survive," *Ethics and International Affairs*, Vol. 32, No. 1 (2018), pp. 17-29.

too easy to attribute their plight to free trade, de-industrialization of the economy, inflow of immigrants, and other consequences of globalization. Indeed, the increase in the number of immigrants has been impressive. The share of foreign-born population in the combined population of G7 countries was 6.15% in 1990-91, but the number increased to 10.13% by 2010-11.[47] Moreover, the immigrant population is generally younger and typically enjoys higher birth rate than the "native" population. This tends to accelerate the changes in the ethnic composition of the population in a number of states. For instance, the share of non-Hispanic "white" population in the US declined from 75.6% in 1990 to 63.7% by 2010. Among children and youth up to the age of eighteen, the share of "white" population is expected to go under 50% in 2020, and by the year 2045, the percentage of non-Hispanic "white" population is expected to be less than half. Similarly, the "whites" constituted 94.1% of the UK population in 1991, but their share had declined to 87.2% by 2011. Among children and youth up to age twenty, the share of "whites" had dropped below 80%.

Major changes in the ethnic composition of the population are easily construed as a threat to a nation's survival, especially in countries where race and ethnicity constitute the core components of the definition of national identity. In the UK, the inflow of immigrants in the twenty-year period starting in 1978 was around 310,000. But in the next twenty-year period starting from 1998, the number had increased more than fourteen-fold to around 4,590,000. In polls after polls conducted by organizations such as the National Centre for Social Research (NatCen) and YouGov between 1995 and 2018, a majority of respondents in the UK stated that there were "too many immigrants," and that their number "should be reduced." In a 2016 survey, 37% of UK citizens agreed with the statement: *"There are so many foreigners living round here, it doesn't feel like home any more."*[48] There is little doubt that such an attitude is closely linked with support for Brexit.

Tension over immigration has flared up also in the US, which has a history of accepting a very large number of immigrants, and whose identity as a nation depends

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[47] Calculated on the basis of data from the OECD website:
https://data.oecd.org/migration/foreign-born-population.htm (last accessed May 2, 2021).
[48] YouGov website, "37% of Britons say immigration has meant that where they live doesn't feel like home anymore":
https://yougov.co.uk/topics/politics/articles-reports/2016/12/05/many-europeans-say-immigration-has-meant-they-dont (last accessed May 2, 2021).

less heavily (at least in theory) on race and ethnicity. In earlier waves of immigration, immigrants to the US were generally expected to sever their ties with their country of origin, to receive an exclusively English-medium education, to speak only English in public places, and to assimilate into the "mainstream culture" in the US. By contrast, in more recent decades, immigrants to the US have enjoyed better access to multi-lingual education, and they are encouraged to be proud of the cultural traditions of the lands where they (or their ancestors) come from. In short, the pressure to assimilate has weakened. [49] Moreover, among recent waves of immigrants, more than half come from Latin America. This poses some doubt as to whether the US will remain a monolingual English-speaking nation. Thirty years ago, the noted historian Arthur Schlesinger, Jr. warned of the danger posed to "the original theory of America as 'one people', a common culture, a single nation." [50] According to one opinion poll conducted in 2016-17, 62% of white working class Americans believed that "the growing number of newcomers from other countries threatens American culture," while 65% of the same group of people believed that "the American way of life has deteriorated since the 1950s." 48% of the same population agreed that "things have changed so much that I often feel like a stranger in my own country." The feeling that, with social changes and large influx of immigrants, they have become strangers in their own land, while white, working-class Americans are left out of such changes became a powerful motive factor for such people to support Donald J. Trump in the Presidential elections of 2016 and 2020.[51] Even after Trump's departure, it would be difficult to stabilize US politics without appealing to significant portions of Trump supporters.

Overall, the enlargement of the liberal international order in the post-Cold War era enjoyed only limited successes. Apart from the rise of new democracies in the developing world, and incorporation of former communist states in Eastern Europe into the Western community of democracies (and into Western systems of security alliance and regional integration), successes were limited to the expansion of the capitalist world

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[49] Nathan Glazer, *We Are All Multiculturalists Now* (Harvard University Press, 1997), pp. 1-21.

[50] Arthur M. Schlesinger, Jr. *The Disuniting of America: Reflections on a Multicultural Society*, (New York: W.W. Norton, 1992), p. 43.

[51] Daniel Cox, et al., "Beyond Economics: Fears of Cultural Displacement Pushed the White Working Class to Trump," *PRRI/Atlantic Report*, May 9, 2017, https://www.prri.org/research/white-working-class-attitudes-economy-trade-immigration-election-donald-trump/ (last accessed May 2, 2021).

market, and increased (though by no means undisputed) sway of liberal, "Western" values in many international organizations. The liberal international order expanded as a "community of shared interests," by drawing in countries such as Russia and China. However, these states never joined the "community of values" or the security community formed by states in the Western camp. Rather, building on the increasing wealth and power afforded by their participation in the capitalist world market, these states emerged as challengers to the liberal international order, bringing a major shift to the power balance that propped up this order. While the number of democracies increased numerically, the attempt to expand the liberal-democratic "community of values" aroused resentment in Russia and China, and aggravated political instability in the Middle East. Further, the attempts to further marketize the society, to universalize liberalism, and to undermine the framework of sovereign, nation-states, aroused widespread opposition in established democracies as well.

Conclusion: Conditions for a Rebirth of the Liberal International Order

An important aspect of the history of international relations in the past 100 years has been repeated attempts to reform the international order according to the values of liberalism. While such attempts have scored some impressive successes, they have also experienced bitter failures. It therefore seems important, based on this historical experience, to identify the strengths and weaknesses of the liberal international order.

A fundamental strength of the liberal international order is that it satisfies one basic human need – for living according to one's own judgment, without being told by external authorities as to what to do or what not to do. Also, under certain conditions, a liberal international order can bring about peace, political stability, and prosperity by binding states together by the ties of common interests and values, and by incorporating the dynamism of a capitalist market economy. The 75-year period following the Second World War was an era during which the strengths of the liberal international order was amply demonstrated. From a global viewpoint, to be sure, only a small minority of people in the world enjoyed the benefits of the liberal international order to the full extent. Yet surely, the order brought freedom, lasting peace, and unprecedented prosperity to several hundreds of millions of people. Thus, it is not surprising that in the West, the idea became popular that the humanity will be able to enjoy a freer and more prosperous life by spreading and deepening the reforms of the social order based on liberal values. Yet, the history of the past century also points to some weaknesses of the

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liberal international order.

First, while liberal theories of international relations offer some effective measures for pacifying international relations, they are not sufficient by themselves to guarantee the peace and security of states and of the international society. The three basic liberal approaches to achieving peace, when combined, constitute a promising strategy for guaranteeing lasting peace among states which fully participate in the liberal international order. However, given that a liberal international order is unlikely to encompass the entire world, threats to the liberal order from the outside cannot be ignored. And in responding to military threats from the outside, measures such as economic interdependence and international law or organization are unlikely to be sufficient. A liberal international order thus needs the backing of an effective coercive power.

True, the liberal international order enjoys some advantages also in meeting external military threats. In addition to economic prosperity, liberal societies have strength in generating innovations in technology, policy, and in institutional setup. They also enjoy an advantage in building international networks, and thus in mobilizing a wide range of political and economic resources. Yet, affluent liberal societies have their weaknesses, too. Such societies are generally peace-loving, and would prefer light defense burden as much as possible. Liberal societies are also hesitant to undertake the kind of technological and institutional innovations which would restrict individual rights and freedoms. They may be also slow to recognize external threats and respond to them when they emerge. Liberal societies may be slow to react to the threat from dictatorial states which engage in rapid military buildup and utilize new technology, especially when they are experiencing economic downturn. Furthermore, liberal political theory provides scant justification for the role citizens must play in the defense of states.[52] For this reason, liberal states could face difficulty in placing restrictions on individual rights and/ or in mobilizing them for defense purposes when faced with grave security threats.

Liberal states have emerged victorious from a succession of major wars during the twentieth century, and this has contributed immeasurably to the stability of the liberal international order, and to the confidence that the order can be sustained indefinitely.

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[52] April Carter, "Liberalism and the Obligation to Military Service," *Political Studies*, Vol. 46, No. 1 (1998), pp. 68-81.

Yet this circumstance owes very much to fortuitous factors, including the industrial and economic might of the United States, and the fact that the latter committed itself to the defense of the liberal international order since the Second World War. The post-war liberal international order depended for its sustenance on American power and will, but American power was a function of the economic and industrial power of the US, while American will was a product of America's "universalistic nationalism." Today, however, the rapid development in China's military power and technological prowess is placing America's economic and technological edge under question, while America's universalistic nationalism is being undercut by changes in the US society. In the future, Japan would have to work with a more inward-looking US, and to attempt to maintain an open international order in cooperation also with other friendly states in the Indo-Pacific region, Europe, and elsewhere.

The second weakness of the liberal international order consists in the vulnerabilities in the governance over the world market. The market mechanism is a powerful device which allocates resources effectively, which provides incentives for technological innovation and for development of new goods and services, and which thus propels economic growth. Yet, the market requires for its sustenance a political framework which provides security, guarantees that contracts are carried out, resolves any disputes, unifies standards, and which maintains the stability of the currency. Yet, unlike in the domestic market, such a political framework is likely to be weak in the global marketplace. Thus, the global capitalist market is more prone to financial crises and depressions than are well-governed domestic markets. And the crises in the global markets could seriously damage the domestic economic, social, and political stabilities of participating states.[53] The Great Depression of the 1930s is a prime example, and the experience was repeated, though on a smaller scale, after 2008. Relatedly, the experience of COVID-19 has once again reminded us the fragility of the foundations of our globalized society and economy. In the coming years, we will probably have to place more emphasis on ensuring people's safety and social stability by ensuring stable provision of essential goods, even if this might come at some cost to efficiency. Such a move might also help liberal democratic states to address some of its current domestic divisions, and to regain political stability. A major task before liberal democratic states would be to build a solid framework of international cooperation, perhaps not dissimilar

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[53] Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy* (New York: W.W. Norton, 2012).

to those which existed during the period of "embedded liberalism."

The third and most fundamental weakness of the liberal international order is the tension between (the universalistic interpretation of) liberal ideas and the political framework of the sovereign states system. Liberalism acknowledges that a state is an organization that is necessary to ensure the rights and freedoms of individuals. Yet, it is not easy to legitimize *existing* national/state boundaries based on a liberal political theory. [54] Since all individuals are considered fundamentally equal from an Enlightenment worldview which is at the basis of contemporary liberalism, any existing state boundary might seem arbitrary to many liberals. But if we lower national boundaries and allow massive influx of immigrants from poorer countries into affluent societies, political backlash among the "native" population is inevitable. Until recently the prevailing opinion among the Western elite was to dismiss such opposition as "populism," and to seek to build a world in which not only information, goods, services, and money, but also people move around freely. Such a policy, however, would surely weaken the ties between individuals and their political communities, and undermine the sense of national solidarity. It is doubtful if such an arrangement is compatible with democracy or with welfare state, as we understand these terms. States with open borders may also find it difficult to mobilize the will and human resources to defend them from external enemies and from internal challenges to legal order.

To go back to its origins, liberalism was an intellectual/ political stance which sought to allow individuals with different values to coexist peacefully by making religious belief a matter of individual choice. Yet, human beings are not just individuals. While each person has his/her individuality, s/he also lives as a member of various groups s/he belongs to, and confirms his/her identity as a member of those groups by narrating the story of those groups. [55] Liberalism, by assuming the innate rights of individuals, expanded the realm of free, autonomous choice for individuals, which brought happiness to the lives of many people. Yet it was an impossibility to reduce the complicated psychological needs of the highly social animal we call humans to a bundle of "individual rights" in a state of nature. Liberalism claims to provide a neutral framework within which diverse individuals could feel equally comfortable. But the neutrality liberalism offers is limited to neutrality with regard to choices we make *as*

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[54] Holmes, *Passions and Constraints*, p. 39.

[55] Takao Sakamoto, *Shōchō tennō seido to nihon no raireki* (Tokyo: Toshi shuppan, 1994), pp. 11-52.

individuals. Actual human beings live their lives not only as individuals, but also as members of corporate groups with their distinctive histories. And persons can perhaps enjoy the sense of individual freedom only to the extent that the framework of such corporate groups is accepted as something self-evident.

Historically, human beings have lived their lives in the context of a wide variety of such groups, and sovereign, nation-states, which provide the dominant such framework in today's world, is by no means absolute. Nor can individual states avoid changes to their shape and identity as technology changes, and as the composition of their population changes. Yet, as long as human beings are animals that belong to and take pride in belonging to particular groups, a political society encompassing the entire humanity is unlikely to emerge. The world will remain divided into multiple political societies. And each of these political societies cannot be based solely on universal principles, but must derive its sense of unity from its distinctive ideas, histories, and narratives. It is possible and perhaps desirable in some cases to place values such as "individual freedom" or "multiculturalism" at the center of such narratives. But if such narratives are to bring unity and stability to society, abstract, universal values must be embedded in narratives distinctive to each political society.[56] A framework for a political society which could serve as the basis of individual freedom must, even when it revolves around the concept of multiculturalism, underscore the sharing of a single narrative despite cultural diversity, and thus the unity and distinctiveness of the particular society. To seek, for the purpose of accommodating an increasingly diverse population, an ever more abstract, thin, and therefore vacuous framework for integration is unlikely to serve the purpose of securing the stability of a political society,[57] for what serves as the anchor for individual identity in our daily lives is not expansive universality, but the concrete specificity of history. And in many parts of the world, the group that embodies such history and serves as a key anchor for individual identity is likely to remain sovereign, nation-states.

The basic rights and freedoms of individuals have by now become cherished values for a majority of the Japanese people, and a broad consensus exists within Japan about the need to respects such rights and freedoms. But individuals can choose freely only in a context of social stability, and in order to preserve the latter, we need a framework for a

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[56] Paul W. Kahn, *Putting Liberalism in Its Place* (Princeton University Press, 2004).

[57] Rogers M. Smith, *Civic Ideals: Conflicting Visions of Citizenship in U.S. History* (Yale University Press, 1997), pp. 473-488.

social order. A liberal state has expanded the realm of individual freedom by placing the idea of freedom as a key organizing principle for the social order. As long as we value and cherish our individual rights and freedoms, it is important to safeguard them against various incursions, and to expand their realm further as needed. However, we would not be able to secure individual rights or freedoms if we end up destroying the framework which makes individual freedom possible.

The system of sovereign, nation-states may perhaps be compared to the air through which the liberal dove can soar to the height of freedom. "The dove cleaving in free flight the thin air, whose resistance it feels, might imagine that her movements would be far more free and rapid in airless space. Yet the dove cannot fly without the support of the air."[58] From the viewpoint of a pure liberalism, the framework of states may appear cumbersome obstacles to global justice. But without this framework, rights and freedoms will lose their very foundations. Can the supporters of the liberal international order recognize this basic truth, while at the same time averting the opposite danger of narrow-minded nationalism? Can they, on this basis, build a new framework for international cooperation in security, economy, and other fields among states that value individual rights and freedoms? The future of the liberal international order hinges on answers to these questions.

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[58] Immanuel Kant, *Critique of Pure Reason*, Introduction.