

Globalization, deglobalization and reglobalization: adapting liberal international order

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The intensification of globalization since the end of the Cold War has been made possible by the political and ideological ascendancy of the liberal international order. This process was facilitated and supported by the United States, the global hegemon, displaying the connections between the liberal economic order and the distribution of power in the international system. In the economic arena, it was manifested in the expansion of the production and distribution of products and services on a global scale, with many countries providing platforms or markets, and multinational corporations spreading their wings across the world. The global spread of neo-liberal economic ideas epitomized by the ‘Washington Consensus’ was a clear manifestation of liberal ascendancy. One measure of it is the manifold increase in global trade and investment. For instance, the value of merchandise exports grew from US\$3.553 trillion in 1991 to US\$19.05 trillion in 2019.¹ Net inflows of foreign direct investment (FDI) for the same period went up from US\$174.93 billion in 1991 to US\$1.744 trillion in 2019, after peaking at US\$3.13 trillion in 2007.² However, as various articles in this special issue argue, globalization has generated many externalities and unintended consequences, and today, although several elements of globalization are persisting strongly, powerful deglobalization forces are also springing up. The liberal international order itself is under serious challenge in the three arenas where it is most present: economic, political and institutional. In the economic sphere, increasing protectionism and the neglect or sidestepping of trade rules by leading states, despite many free trade agreements and commitments to adhere to WTO rules, are becoming more common.

* This article is part of the September 2021 special issue of *International Affairs* on ‘Deglobalization? The future of the liberal international order’, guest-edited by T. V. Paul and Markus Kornprobst.

¹ World Bank, *Merchandise exports (current US\$)* (Washington DC, n.d.), https://data.worldbank.org/topic/trade?most_recent_value_desc=true. (Unless otherwise noted at point of citation, all URLs cited in this article were accessible on 23 April 2021.) I acknowledge that this is not an uncontested conclusion. Scholars such as Robert Wade contend that countries that have not adopted neo-liberal economic ideas or trade policies have also prospered more than is recognized. In fact, in the past, countries such as Japan, Korea and Taiwan grew by engaging in international trade while not opening their countries in a major way to external actors. See Robert H. Wade, ‘Is globalization reducing poverty and inequality?’, *International Journal of Health Services* 34: 3, 2004, pp. 381–414. However, these countries still benefited from US and other western markets that were open to them, largely for geopolitical reasons. Further, this was by no means a widespread phenomenon as in the post-Cold War globalization era.

² World Bank, *Foreign direct investment, net inflows (BoP, current US\$)* (Washington DC, n.d.), <https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD>.

Tightening of labour migration rules is another manifestation of economic nationalism. In the political arena, the democratic deficit in the form of illiberal domestic regimes is spreading to many democratic countries, where populist movements and leaders lacking deep democratic values or scientific temperament have surfaced offering quick ideological or intuitively driven solutions to deep-rooted socio-economic problems. The COVID-19 crisis of 2020–2021 has exposed the fault-lines of these problems even more starkly. Vaccine nationalism, epitomized by vaccine-producing states hoarding these vital drugs and denying large numbers of poorer states access to them, is an example. In the institutional sphere a debilitating impact is also visible in the weakening of international institutions, the third pillar of liberal order, which have been promoted and supported by both liberal and many non-liberal states for the past 75 years.

Yet the most critical element in the weakening of the liberal international order is the wilting of the domestic institutions and economic capacities of liberal democracies. In the past, the success of the external policies of liberal states depended heavily on the success of their societies and polities. Without successful internal systems, the liberal international order cannot survive, let alone prosper. Key liberal scholars have understood this relationship for some time. For instance, Andrew Moravcsik argues:

Liberal IR [International Relations] theory elaborates the insight that state–society relations—the relationship of states to the domestic and transnational social context in which they are embedded—have a fundamental impact on state behaviour in world politics. Societal ideas, interests, and institutions influence state behaviour by shaping state preferences.³

And John Ruggie, in his articulation of ‘embedded liberalism’, posits that the legitimacy of international orders depends on the legitimacy of domestic social relations. The postwar economic order was a compromise between multilateralism and ‘domestic interventionism’.⁴

The articles in this special issue deal with a wide range of topics, such as Great Power politics, revisionism within the hegemonic power, illiberalism as a ‘boomerang effect’ of spreading liberalism, the need to enlarge the liberal circle beyond the West, and the role of emerging powers in the weakening of the liberal order. Other articles discuss the challenge of adaptation facing international institutions, including the UN peacekeeping mission; human security challenges unleashed by liberal policies; the relationship between economic nationalism and populism; the impact of changing monetary relations; the difficulties faced by liberal states in confronting the pandemic; the role of right-wing anti-globalists in undercutting the liberal order; and the need to widen knowledge production in International Relations beyond the liberal orthodoxy. The overwhelming theme

³ Andrew Moravcsik, ‘Taking preferences seriously: a liberal theory of international politics’, *International Organization* 51: 4, 1997, pp. 513–53; Peter Trubowitz and Peter Harris, ‘The end of the American century? Slow erosion of the domestic sources of usable power’, *International Affairs* 95: 3, 2019, pp. 619–40.

⁴ John Gerrard Ruggie, ‘International regimes, transactions and change: embedded liberalism in the post-war economic order’, *International Organization* 32: 2, 1982, p. 393.

that runs through these articles is the internal–external nexus that undergirds the sustenance of the liberal international order.

In the same vein, this concluding article argues that the liberal international order is facing a major existential challenge at the global level owing to the uneven impact that economic globalization has had on the domestic economic and social sectors in leading liberal states. Domestic orders in liberal states have also come under pressure from migration, both legal and illegal, especially to Europe and the United States from poorer nations facing economic and social hardships, generating right-wing nationalism of various hues. Domestically, massive income inequalities have generated discontent among certain classes of the electorate, whose political influence is manifested in the election of populist leaders, in established democracies including the United States, Britain and India, who play on identity politics.⁵ In quasi- and fully authoritarian systems, some populist leaders have entrenched themselves in power with constitutional amendments that allow them to rule as long as they wish, as is evident in Russia and Turkey. Efforts of this nature have received a setback in the United States with the defeat of Donald Trump in the 2020 elections, but Trumpism is still thriving and could potentially return in even more virulent form. Relatively new democracies such as Brazil, Hungary and Poland have also witnessed the arrival of populist leaders and the erosion of their core democratic credentials. Deglobalization in terms of economic retrenchment and stricter border controls have been the most manifest outcome, and as a result the liberal order has been suffering a short-term decline, with the possibility of a deeper long-term depreciation in the post-COVID world order, exacerbated by the pandemic, if the trend is not arrested by the defenders of the liberal order. The pandemic crisis has certainly speeded up the process, although countervailing forces are also at work preventing the total collapse of the liberal order. The difference between the 1930s and the present is that today liberal instruments with which to face the crisis abound; but they need to be sharpened and modified to respond adequately to contemporary realities.

The United States, the liberal hegemon, most sharply exemplifies the crisis in the liberal order, and hence this article will focus on it more than on other liberal states. Former President Donald Trump challenged all the three elements of liberal international order. Under Trump, US policies became transactional, challenging international institutions, and the UN was used by the administration largely as a platform for projecting American power rather than one for solving problems of collective action, whether the issue at hand was the coronavirus crisis, conflict in Syria or Yemen, or climate change and the consequent disruptions. The administration did not value democracy and democratic principles sufficiently, internally or externally; indeed, it trampled on those principles while exploiting America's racial and class divisions to its own advantage. Trump's questioning of the victory of Joe Biden in the 2020 presidential election, and his encouragement of his hardcore supporters to storm the US Capitol in January 2021, were the most

⁵ Carla Norrlof, 'Is COVID-19 the end of US hegemony? Public bads, leadership failures and monetary hegemony', *International Affairs* 96: 5, 2020, pp. 1281–303.

egregious examples. Economic interdependence was also questioned, as unilateral gains were sought through the imposition of tariffs on partners rather than attention being given to maintaining a rule-based trading system. The administration's challenge to the WTO, its withholding of funds from the World Health Organization and its withdrawal from the Paris climate change accord showed a pattern of US abandonment of international institutions and agreements that it had helped to set up, and a withdrawal of support for efforts to solve global collective action problems. The newly elected Biden administration has begun to rescind many of these Trump policies, but some may remain in place and others could be re-enacted if Republicans return to the White House and Congress. The European liberal states have also seen a wave of illiberal right-wing groups of various types ascending in electoral politics, and this challenge may increase if the post-COVID world order generates more opportunities for such forces to strengthen their roots.⁶ Migration from the Middle East and Africa in particular has fuelled right-wing nationalism in many liberal democratic states.

The challenges that the liberal order is facing are both internal and external, but the latter are heavily conditioned by the former. Reformed reglobalization offers a feasible way to adapt the liberal order to current and future demands, as illiberal and populist forces cannot offer long-term and sustainable solutions to the societal challenges that globalization has unleashed. Liberal states, however, also need to face the rise of powerful authoritarian contenders, especially China. Without reinvigorating internal capacities and cooperation among liberal states, which means improved globalization among them and their supporters, the China challenge will not be met effectively.⁷ At the same time, selective cooperation with the illiberal powers China and Russia may be necessary to rescue the international institutions which are sorely needed to tackle many of the collective action problems that the world faces.

Liberalism has been the most successful of all political ideologies in the modern world, consistently able to withstand challenges to its existence. Many 'isms' have come and gone—fascism, Nazism and communism—but while the last of these persists in a few countries such as China and Vietnam, it is doing so only by those regimes incorporating liberal economic ideas in a framework of state capitalism and making use of the liberal trading system to their advantage. This shows that liberalism has adapted and offered more opportunities to an increasing number of states, including authoritarian ones, than other past systems have done. This does not mean that all population segments have benefited from the liberal ascendancy. The rise of the liberal order has not been easy: it was often violent, and it generated considerable suffering for some population groups, especially in non-European and non-white societies. In the past, liberalism was associated with

⁶ Ian Klinke, 'Geopolitics and the political right: lessons from Germany', *International Affairs* 94: 3, 2018, pp. 495–514.

⁷ For an earlier discussion on the possible geopolitical challenges, see the conclusions of Norrin Ripsman and T. V. Paul, *Globalisation and the national security state* (New York: Oxford University Press, 2010), pp. 161–80; also Xiangfeng Yang, 'The great Chinese surprise: the rupture with the United States is real and is happening', *International Affairs* 96: 2, 2020, pp. 419–38.

European empires, and the defenders of imperial expansion used liberal cover for their racist ideas. This challenge is still dividing western and non-western states, as the latter, which suffered under western colonialism, want to preserve their nationalisms and state autonomy, while western states that have undergone centuries of warfare want to tame nationalism through Wilsonian ideas and international institutions.⁸ However, notwithstanding all its blemishes, liberalism and its ideals have survived for more than 200 years, as the human desires for freedom and prosperity cannot easily be fulfilled in most other systems and political–economic orders. The longevity of liberalism is partly attributable to its ability to adapt by incorporating many progressive ideas from models such as Fabian socialism and liberal socialism partially supported by figures such as John Stuart Mill, who argued for the establishment of worker-run enterprises alongside private ownership companies.⁹ These ideas helped the creation of the modern welfare state, which in turn facilitated the survival of the liberal order. In order for the liberal international order to survive in the twenty-first century, liberal states may have to adopt a refined form of welfare state that can tackle domestic economic and social challenges, especially in the distributional arena. If they do not, internal failures will weaken the international claims to leadership of liberal states.¹⁰

The foundational ideas

The liberal international order is the offshoot of liberalism as applied to the international realm. Liberalism itself has many varieties and derivations and has undergone several adaptations during the past two centuries. Zacher and Matthew discuss six strands in liberalism—republican, commercial, military, cognitive, sociological and institutional—as ‘distinct aspects of [an] evolving process of modernization’.¹¹ However, the two most widely accepted umbrella forms are ‘generic liberalism’ and ‘progressive liberalism’. ‘Generic liberalism’—or, as John Mearsheimer calls it, ‘modus vivendi liberalism’—enshrines individuals and states to have the utmost freedom so as to develop their full potential, economically, socially and politically.¹² This requires freedoms in the economic and political spheres and, above all, free trade among and within nations. State interference should be at the minimum; as Adam Smith argued, individuals and nations serve the greater good when they produce and exchange goods on the basis of a division of labour, and common prosperity results from free trade among nations.¹³ ‘Progressive liberals’, in contrast, believe that the state should help individuals to achieve their goals and needs, as

⁸ Walter Russell Mead, ‘The end of the Wilsonian era: why liberal internationalism failed’, *Foreign Affairs* 100: 1, 2021, pp. 123–37; Joseph S. Nye, Jr, ‘The rise and fall of American hegemony from Wilson to Trump’, *International Affairs* 95: 1, 2019, pp. 63–80.

⁹ On this, see Bruce Baum, ‘J. S. Mill and liberal socialism’, in Nadia Urbinati and Alex Zakaras, eds, *J. S. Mill’s political thought: a centennial reassessment* (Cambridge: Cambridge University Press, 2007), pp. 98–123.

¹⁰ G. John Ikenberry, ‘The end of liberal international order?’, *International Affairs* 94: 1, 2018, pp. 7–24.

¹¹ Mark Zacher and Richard Matthew, ‘Liberal international theory’, in Charles Kegley, ed., *Controversies in International Relations theory* (New York: St Martin’s, 1995), pp. 117–39.

¹² John Mearsheimer, *The great delusion: liberal dreams and international relations* (New Haven, CT: Yale University Press, 2018), p. 9.

¹³ Adam Smith, *The wealth of nations*, ed. Tony Darnell (Suwanee, GA: 12th Media Services, 2018).

otherwise not all individuals will be able to develop their endowments effectively. While progressive liberals believe all individuals have ‘a right to equal opportunity’, which requires ‘social engineering’ by the state, ‘modus vivendi liberals’ do not recognize that right and are generally sceptical about the benefit of social engineering. They tend to have a minimalist view of how much the state should interfere in the daily lives of its citizens.¹⁴ What unites the two camps is a belief in the essential goodness of human nature and the human desire to be free and to lead the ‘good life’, along with a belief that international peace and prosperity are achievable through the correct implementation of liberal mechanisms.

Liberal ideas of limited government and free trade are derived from Enlightenment thought based on reason, as exemplified in the work of eighteenth-century European philosophers such as John Locke, Montesquieu and Adam Smith, among others. However, in parallel to these ideas ran counter-Enlightenment ideas based on collectivism, a powerful state and cultural nationalism.¹⁵ Ultra-nationalism, collective ideas of the nation-state and realist notions based on competition for power among states pose the greatest challenge to liberal ideas. This does not mean that liberals cannot be nationalists; but they tend to pursue civic as opposed to identity-based nationalism internally, while their external behaviour can be driven by nationalism in a way similar to that of non-liberal states. Realist scholars such as Mearsheimer see these challenges as insurmountable and believe that, as a result, liberal hegemony or a liberal international order will not achieve its desired goals: according to them, when liberalism and nationalism clash, the latter will invariably win.¹⁶ This criticism ignores the fact that even nationalists are sometimes forced to adopt liberal solutions as a survival mechanism.

The liberal international order originated from several core liberal ideas in both strands of liberalism. As John Ikenberry defines it, liberal internationalism is a cluster of ideas on how to think about and act in the world which emerged out of the Enlightenment and the Western democratic experience ... At its core are convictions about how liberal democracies—and the wider world—should cooperate to organize their common relations.¹⁷

The core ideas of the liberal international order, according to Ikenberry, are: (1) international openness for trade and exchanges; (2) multilateralism and rules-based relations; (3) democratic solidarity and cooperative security; and (4) progressive social purposes for both domestic and international societies.¹⁸ Simply put, in Walter Mead’s words, the liberal order is based on a ‘dream of a universal order, grounded in law, that secures peace between countries and democracy inside them’.¹⁹

¹⁴ Mearsheimer, *The great delusion*, pp. 9–10. I acknowledge there are many different strands of liberalism, as mentioned by Zacher and Matthew, ‘Liberal international theory’, but these two umbrella categories capture the different strands of liberal perspectives fairly well, and so I adopt them here.

¹⁵ See Perry Anderson, *Lineages of the absolutist state* (London: Verso, 2013).

¹⁶ Mearsheimer, *The great delusion*, pp. 2–3.

¹⁷ G. John Ikenberry, *A world safe for democracy: liberal internationalism and the crisis of global order* (New Haven, CT: Yale University Press, 2020), p. xii.

¹⁸ Ikenberry, *A world safe for democracy*, pp. 17–18.

¹⁹ Mead, ‘The end of the Wilsonian era’, p. 124.

More concretely, at its core the liberal international order is based on three principal mechanisms embodied in the vision of the eighteenth-century German philosopher Immanuel Kant: international institutions, constitutional democracies and economic interdependence, all of which are necessary for international peace and the attainment of the 'good life' internationally.²⁰ These mechanisms, especially the democratic dimension, generate the conditions for democratic peace and solidarity among democratic states, for both cultural/normative and institutional/structural reasons.²¹ These mechanisms are expected to impose restraints on states in terms of how they respond to disputes and crises. Institutions play a key role in restraining the arbitrary behaviour of states through creating proper rules and regulations. Democracy is expected to produce both internal and external restraints on the use and abuse of power, which are critical to the behaviour of democratic states towards their fellow democracies. Economic interdependence is expected to produce peace among states, as the costs and benefits of breaking out of such relationships invariably favour peace. It is further anticipated that a rule-based international order will improve deliberative understanding among states, as well as cooperation and integration through ever increasing institutional networks. In the contemporary manifestation, this order is underwritten by American military and economic power, even though on many occasions the United States has itself deviated from liberal principles. The latter observation raises questions about the need for realist mechanisms to facilitate the rise and persistence of the liberal order, and the intimate relationship between the two orders.

All the above propositions assume that liberal states are more likely to generate prudent, democratically orientated leaders than their authoritarian counterparts. If liberal states are led by reckless leaders, they will eventually face electoral defeat, and externally the international system will punish them with foreign policy failures. Liberal states can thus learn from mistakes and adapt as the system demands. Poorly led liberal states also squander their reputation for making credible commitments, and this will affect their ability to form durable alliances with like-minded states. The challenge is that democracies, even mature ones, can produce reckless leaders and anti-liberal pathologies of both the right and the left.²² Some liberal leaders may also be driven by reckless ideas, and can drag the international order into a mode of constant crisis. They may not learn the right lessons, especially if their constituents are driven by illiberal ideas. Donald Trump and his core supporters show one form of this pathology. However, liberal leaders in the past have shown better ability to learn and adapt, though not always for the good of all humankind.

²⁰ Bruce Russett and John Oneal, *Triangulating peace: democracy, interdependence and international organizations* (New York: Norton, 2001).

²¹ Bruce Russett, *Grasping the democratic peace* (Princeton: Princeton University Press, 1993); John M. Owen, 'Economic interdependence and regional peace', in T. V. Paul, ed., *International Relations theory and regional transformation* (Cambridge: Cambridge University Press, 2012), pp. 107–32.

²² Daniel W. Drezner, 'Immature leadership: Donald Trump and the American presidency', *International Affairs* 96: 2, 2020, pp. 383–400.

The globalization challenge

The end of the Cold War in 1991 was a major victory for liberal ideas and the liberal international order as newly liberated east European states joined the liberal caravan, especially in the form of EU and NATO membership. The onset of deep economic globalization occurred largely as a result of the United States and multinational corporations adopting free trade and the expansion of liberal capitalist ideas on a global scale. During the post-Cold War era, intense globalization has had some major successes in lifting millions out of abject poverty. According to World Bank estimates, some 1 billion people have risen out of extreme poverty between 1990 and 2015;²³ but this progress has since slowed, in particular since the onset of the COVID-19 crisis that began in March 2020. The massive upturn in global trade and investment, the rise of a global middle class and the introduction of many new technologies were all made possible by globalization. But globalization also generated rising expectations and unfulfilled aspirations on the part of those lacking the educational or technical skills required to succeed in a highly competitive economic order. Challenges to liberal claims and prescriptions for universal economic well-being then arose from both the radical left and the conservative extreme right. For the former, increasing inequality is a major sign that liberal prescriptions do not work; for the latter, liberals destroy individual rights and national sovereignty, and disable independent foreign policy choices. The powerful social media platforms of the twenty-first century have enabled enemies of liberal order to spew out conspiracy theories that many believe as facts.

Liberal policies in the globalization era facilitated the rise of new economic and power centres. The rise of China and India would not have happened without economic globalization, of which these states have made good use, while their large markets also enabled many American companies to sell their products. The supply chains that China in particular has established have done both harm and good to liberal economies: harm in fuelling the progressive decline of manufacturing industries in the United States and other former manufacturing economies; good in that the cheaper products that Chinese companies export allow US customers to avoid price inflation and enable high-tech companies to acquire cheaper components for their products. This has also meant a decline of domestic capabilities in certain industries and regional spaces, affecting the employment prospects of a large portion of the industrial workforce.

Despite growing trade imbalances, the United States also benefited from globalization, especially in technological areas and the availability of cheaper consumer goods,²⁴ not only from the rising economies such as China and India but also from established partners, including Japan. The US economy grew from US\$5.2 trillion in 1991 to US\$21.42 trillion in 2019.²⁵ American corporations in the information

²³ World Bank, *Decline of global extreme poverty continues but has slowed: World Bank* (Washington DC: 19 Sept. 2018), <https://www.worldbank.org/en/news/press-release/2018/09/19/decline-of-global-extreme-poverty-continues-but-has-slowed-world-bank>.

²⁴ Charles Fishman, *The Wal-Mart effect* (New York: Penguin, 2006).

²⁵ Statista Research Department, *United States—annual GDP 1990–2019* (New York, 2021), <https://www.statista.com/statistics/188105/annual-gdp-of-the-united-states-since-1990/>.

and telecommunications sector became world leaders thanks to globalization. US stock markets, too, have enjoyed the benefits, the Dow Jones Industrial Average (DJIA) rising from 4,978 points in 1990 to 27,781 points in September 2020.²⁶ This increase has benefited a large segment of the US upper and middle classes, generating good returns on 401k retirement savings accounts, pension plans and real estate prices. The US dollar reinforced its lead currency status, while many US cities emerged as the technological and economic hubs of the globalized world, a development facilitated by a global workforce including talent from developing countries. But the wealth distribution within the so-called globalized countries remains extremely skewed, and the gap between the rich and the poor has been widening. In OECD countries, the average gap between the incomes of the richest 10 per cent and the rest of the population has increased to 10 per cent from 7 per cent 25 years ago.²⁷ The two rising powers of China and India showed even higher levels of wealth concentration. According to a 2020 report, ‘In China, the top 1% captured 14% of national income in 2019 compared with 8% in 1990, while in India, the corresponding figures are 21% in 2019 compared with 11% in 1990.’²⁸

Those most severely affected by the 2020 lockdowns in both developed and developing countries have been the poor and members of the lower-middle class, some of whom had made little progress in rising out of poverty in the past two decades, as they have been stuck in subsistence farming or low-wage service industries with few benefits, and have suffered disproportionately from the effects of pandemic-related closures and disruptions. Liberals in advanced industrial countries have not come up with meaningful solutions to this problem of uneven wealth distribution created by globalization. Instead, the neo-liberal agenda continued to dominate, and the *laissez-faire* ideas of the past continued to be promoted in the absence of political consensus on meaningful welfare initiatives.

Thomas Piketty has argued that modern economic growth generates capital accumulation at the top, while the incomes of the rest do not increase exponentially; and that highly unequal income distribution can produce a range of political outcomes, especially in terms of social discontent, to the detriment of democratic values.²⁹ Populism today is a direct result of distributional inequalities and unhappiness among certain sections of the electorate—as, for example, in the American midwest and south, where many people have lost faith in the ability of the liberal elite to offer them much economic hope. Added to this is the racist myth among many of America’s non-college-educated white underclass that the system favours black people and immigrants, and you have a combination of discontents that Donald Trump and his Republican Party exploited through the skilful use of social media.

²⁶ Macrotrends, *Dow Jones—DJIA—100 year historical chart* (Holte, 2021), <https://www.macrotrends.net/1319/dow-jones-100-year-historical-chart>.

²⁷ OECD, *Inequality* (Paris, n.d.), <http://www.oecd.org/social/inequality.htm>.

²⁸ World Inequality Lab, *What’s new about income inequality data in Asia?*, issue brief 2020-08, Nov. 2020, <https://wid.world/document/whats-new-about-income-inequality-data-in-asia/>.

²⁹ Thomas Piketty, *Capital in the twenty-first century* (Cambridge, MA: Belknap/Harvard University Press, 2014); Charles Boix, *Democracy and redistribution* (New York: Columbia University Press, 2003), pp. 3–4.

Past as prelude

The great story of international relations during the past 200 years has been one of liberal victories over, in turn, empire, fascism and communism. Some even argue that it was their advantageous economic, diplomatic and military positions that enabled liberal democracies to win in their rivalries with authoritarian states.³⁰ But this process has seen much bloodshed. In addition, liberals have often deviated from their core principles, such as human equality and sovereign equality, and violated liberal ideals. Early liberals were also promoters of racism and colonial empires. The liberal entanglement with western imperialism and colonialism produced deep-rooted systemic racism and excessive military interventions, and claimed justifications for both. Britain and the United States emerged as powerful states after the Napoleonic Wars and the Second World War respectively, and both used liberal internationalist ideas to strengthen their hegemony and imperial dominance, the latter becoming more of an informal empire.

Woodrow Wilson's institutional innovation after the First World War, contained in his Fourteen Points, may have eventually failed to prevent the Second World War, but it laid the foundations of the later global-institutionalist order built around the UN and also promoted the idea of national self-determination. Wilson promoted 'international arbitration, freedom of the seas, and a system of non-discriminatory trade'; he 'codified international law that would embody the norms and principles of this open and rules-based order and ... wanted a league of nations as the order's symbolic and political capstone'.³¹ However,

his notion of self-determination of nations and peoples was in practice quite limited. At Versailles, only the peoples within the European parts of the collapsed European empires (i.e. Tsarist, Hapsburg and Ottoman empires) were granted national recognition. The others were consigned to protectorates.³²

This was consistent with Wilson's domestic segregationist views on race and his racist policies denying black Americans' political and legal rights, in particular their rights to hold positions in the US civil service.³³

The interwar period saw an intense backlash against these liberal prescriptions. The vanquished Germany found the 1919 Versailles settlement very onerous, especially the reparations it demanded. The rise of revisionist regimes in Germany, Italy and Japan, determined to alter the order in their own image, occurred in the context of the failure of the liberal prescriptions and the unwillingness of France and Britain to make early concessions to the vanquished. In Japan's case, the unmet expectations of the Versailles settlement, especially in respect of colonial territorial concessions, and the perceived racism of western powers in their immigration

³⁰ Matthew Kroening, *The return of Great Power rivalry: democracy versus autocracy from the ancient world to the US and China* (Oxford: Oxford University Press, 2020).

³¹ Ikenberry, *A world safe for democracy*, p. 108; Oona A. Hathaway and Scott J. Shapiro, 'International law and its transformation through the outlawry of war', *International Affairs* 95: 1, 2019, pp. 45–62.

³² Ikenberry, *A world safe for democracy*, p. 133.

³³ Ikenberry, *A world safe for democracy*, pp. 133–4.

policies, contributed to its anti-liberal imperialist drift.³⁴ But the liberal internationalist ideas enshrined in the Wilsonian principles would take a more refined form in the post-Second World War settlement. A good case can be made that had the liberals been more sensitive in accommodating a defeated Germany in 1919, and had they been willing to offer self-determination to non-European colonies, the Second World War could perhaps have been avoided.³⁵ At Versailles in 1919 the vanquished Germany was stripped of its Great Power status and treated like a criminal state—unlike defeated France in Vienna in 1815.

In the United States Franklin D. Roosevelt, president from 1933 to 1945, implemented a number of reforms to the domestic order as a result of the Great Depression of the 1920s. These innovative measures, based on New Deal as well as welfare state principles, including social security and Medicare, allowed liberals to distribute wealth and saved a large segment of the US population from falling into the abyss of poverty.³⁶ Between 1933 and 1936, two key New Deal programmes were adopted. The first was the 1933 Banking and Securities Act, aimed at preventing another stock market crash similar to that of 1929. The second comprised a set of legislative measures and new institutions including the National Labour Relations Act, the Workers Progressive Administration, the Social Security Act, the US Housing Authority and the Fair Labour Standards of 1938, which assured maximum hours and minimum wages and established a large number of agencies protecting workers and farmers. The GI Bill of 1944, which allowed returning veterans to go to college and earn a degree, helped in the settlement and assimilation of millions of ex-soldiers.³⁷

However, Roosevelt's greatest contribution at the international level was his support for the self-determination of non-European peoples. In Ikenberry's words: 'The rise of fascism and totalitarianism led Roosevelt and his contemporaries to let go of their notions of civilization, race and nation and rethink the nature of liberalism and modernity.'³⁸ This support for decolonization helped to change the world in many ways as new states entered the international system, rising from the ashes of the European colonial empires. This liberal adaptation was momentous, and a great example of a relatively peaceful change (in a majority of cases) in international order. In March 1933, Roosevelt also launched the 'Good Neighbor Policy' towards Latin America, abandoning the previous American policy of intervention in the internal affairs of the countries in the region.³⁹

³⁴ Jane Burbank and Frederick Cooper, 'Empires after 1919: old, new and transformed', *International Affairs* 95: 1, 2019, pp. 81–100.

³⁵ On this, see E. H. Carr, *The twenty years' crisis: 1919–1939* (London: Palgrave Macmillan, 2001; first publ. 1939); Torbjørn L. Knutsen, 'Peaceful change: the inter-war era and the disciplinary context', in T. V. Paul, Deborah Welch Larson, Harold A. Trinkunas, Anders Wivel and Ralf Emmers, eds, *The Oxford handbook on peaceful change in international relations* (New York: Oxford University Press, 2021), ch. 4. On other examples of accommodation and non-accommodation, see T. V. Paul, ed., *Accommodating rising powers: past, present and future* (Cambridge: Cambridge University Press, 2014).

³⁶ For the causes of failure in economic ideas and policy frameworks, see Wesley W. Widmaier, *The rise and fall of economic orders from the progressive era to the global financial crisis* (Cambridge: Cambridge University Press, 2016).

³⁷ On this see William E. Leuchtenburg, *Franklin D. Roosevelt and the New Deal: 1932–1940* (New York: Harper Perennial, 2009).

³⁸ Ikenberry, *A world safe for democracy*, p. 233.

³⁹ Lewis Hanke, 'What is the Good Neighbor policy?', in Lewis Hanke, *Is the Good Neighbor policy a success?*,

After the Second World War, the United States emerged as the world's most powerful state, commanding some 50 per cent of global economic production. The Bretton Woods system produced two key institutions, the World Bank and the IMF, both dealing with the developmental needs of the increasing number of states. The Marshall Plan that the Truman administration offered helped war-ravaged European states to grow out of the economic crisis they were in, facilitating their reconstruction. As the country recovered from the war, much economic expansion and growth took place, making the American economy the world's strongest. However, the many liberal innovations were not sufficient to avert looming economic and political crises resulting from population expansion, political backlashes—especially towards black Americans, with more of the Jim Crow laws that began in the aftermath of the Civil War taking away many of their rights and freedoms—and class conflicts resulting from economic disparities. America's involvement in Cold War competition with the Soviet Union produced a military-industrial complex and many unnecessary proxy wars and military interventions in the global South, some of which were initiated or expanded by liberal presidents, with costs measured in trillions of dollars and millions of human lives. The liberal international order was skewed and less than evenly representative. To critics, the order failed to 'genuinely embrace ethno-racial diversity and strategies to reduce class-based inequalities', while its foundational principles remained 'Eurocentric, elitist, and resistant to change'.⁴⁰ Nor was the American-led order as benign as its proponents claimed; it excluded a large number of states and incorporated many coercive elements.⁴¹

The 'great society' innovations and civil rights reforms of the Lyndon Johnson era saved the United States from becoming a theatre of extreme racial inequality and violence, although challenges persisted in both areas. Significantly, some of these liberal innovations were continued by Republican presidents Richard Nixon and Gerald Ford, only to be reversed during the presidency of Ronald Reagan. The programme adopted between 1963 and 1970 saw a number of innovations that brought major achievements in poverty reduction. Johnson's policies included the 'Head Start' pre-school programme; food stamps for families facing hunger; the 1964 Economic Opportunity Act (allocating federal funds for education in slums, job training of poor families and higher education opportunities); the Voting Rights Act of 1965, which removed literacy and other voter qualification requirements facilitating African American enfranchisement; the 1964 Immigration and Nationality Services Act, which abolished national origin quotas on immigration; the 1968 Civil Rights Act, which banned housing discrimination and offered constitutional protection for Native Americans; the 1965 Elementary and Secondary Education Act, which substantially increased federal aid to public

EM 14 (1945), reissued by American Historical Association, [https://www.historians.org/about-aha-and-membership/aha-history-and-archives/gi-roundtable-series/pamphlets/em-14-is-the-good-neighbor-policy-a-success-\(1945\)/what-is-the-good-neighbor-policy](https://www.historians.org/about-aha-and-membership/aha-history-and-archives/gi-roundtable-series/pamphlets/em-14-is-the-good-neighbor-policy-a-success-(1945)/what-is-the-good-neighbor-policy).

⁴⁰ Inderjeet Parmar, 'The US-led liberal order: imperialism by another name?', *International Affairs* 94: 1, 2018, pp. 151–72.

⁴¹ Amitav Acharya, *The end of American world order*, 2nd edn (Cambridge: Polity, 2018). See also Duncan Snidal, 'The limits of hegemonic stability theory', *International Organization* 39: 4, 1985, pp. 579–614.

schools; the 1965 Social Security Act and Medicaid Acts; the 1968 Mass Transportation Act; and the 1968 Fair Housing Act. From 1963 to 1973, the 'great society' programmes reduced the US poverty rate from 22.2 per cent of the population to 12.6 per cent.⁴²

European liberals in the immediate postwar era went a step further by creating cradle-to-grave welfare systems and implementing social democratic principles, some of which were drawn from socialism and communism. They helped to preserve freedom by inhibiting social and political movements that would have dragged their countries into major social upheavals. These liberal innovations were the result of a realization that liberal prescriptions of the *modus vivendi* (generic) type had produced extreme inequalities. This marked a victory of a progressive liberalism which has also been selectively adopted by both Democrats and Republicans in the United States.⁴³

Each grave domestic and international crisis offered liberals the opportunity to adapt to changing political and economic contexts. They achieved this better in some cases than in others; but overall, the overcoming of existential challenges, and domestic adaptation with innovative ideas and policies, rescued the liberal internationalist project from falling into disaster. This process was helped tremendously by the presence of powerful liberal leaders such as Roosevelt and intellectual promoters such as John Maynard Keynes and George Marshall. However, and more importantly, the liberal triumphs were accompanied by much bloodshed and suffering. This was partially the result of the inherent contradictions within liberalism. The empire-building urge caused liberals to close their eyes to the sufferings of weaker nations, races and societies. Blind anti-communism also prompted liberal states to use excessive force in theatres such as Vietnam, disregarding the pain and suffering thereby caused to millions of Vietnamese—and indeed to Americans themselves. Many of the proxy wars fought by the liberal states, whether in Vietnam or Iraq, proved to be unnecessary and were driven by false expectations and mistaken strategic assumptions. Granted, in the US case, it was neo-conservatives who intervened in some regional wars, for instance, in Iraq in 2003. American primacists led by Richard Cheney, Donald Rumsfeld and Paul Wolfowitz were not liberals but crude realists, driven by the urge to extend American supremacy.⁴⁴ These interventions have caused much suffering to the affected countries, especially in the Middle East. A 2020 study by the Watson Institute at Brown University showed that the post-9/11 US-led wars caused some 801,000 direct war casualties and an even larger number of indirect casualties, gave rise to 37 million war refugees, cost US\$6.4 trillion and triggered a number of

⁴² Richard V. Burkhauser, Kevin Corinth, James Elwell and Jeff Larrimore, *Evaluating the success of President Johnson's war on poverty: revisiting the historical record using a full-income poverty measure*, AEI papers and studies (Washington DC: American Enterprise Institute, 2019); History.com Editors, *Great Society*, 17 Nov. 2017, <https://www.history.com/topics/1960s/great-society>.

⁴³ Mearsheimer, *The great delusion*, p. 70.

⁴⁴ Daniel Deudney and G. John Ikenberry, 'Realism, liberalism and the Iraq War', *Survival* 59: 4, 2017, pp. 7–26 at p. 8. Frank Harvey argues that several prominent Democrats also held many of these beliefs about Iraq which would have led to a war had they won the presidential race in 2000. See Frank Harvey, *Explaining the Iraq War: counterfactual theory, logic and evidence* (Cambridge: Cambridge University Press, 2001).

ongoing challenges and violent conflicts.⁴⁵ The fact remains that liberal ideas and strategies offer fertile grounds for American interventionists of all hues, including the neo-conservative variety.

Victory in the Cold War ushered in two decades of American hegemony and unipolarity. The United States took the lead in the latest round of intensified globalization, based on the liberal urge to spread economic interdependence and democratic ideas to the rest of the world. The return of *laissez-faire* ideas helped the spread of economic prosperity across the world, especially to those countries that liberalized their economies. This has helped some non-liberal states, especially China, to develop major manufacturing hubs and global and regional supply chains. Liberal ideas, both economic and political, spread throughout the world through a combination of coercion and instigation by powerful states and international organizations, competition for market and investment access, learning from the experiences of other liberalized states, and emulation of successful models.⁴⁶

Neo-liberal prescriptions since the Reagan/Thatcher era have not met the ever increasing expectations of certain groups in society in a timely fashion. Recently, meanwhile, social media outlets such as Twitter and Facebook have been helping groups to spread their ideas and demands faster than ever before. Negative norm entrepreneurs have been able to engage in contestation by projecting selectively the ills that liberal norms have ushered in. This contestation of liberal ideas is facilitated by the skilful use of social media, and liberal counter-attacks have often been less than effective. The four mechanisms stated above by which liberalism has spread have been challenged or reversed by both non-liberal states and populists within liberal states in their efforts to show that their alternative models are more successful than others. Moreover, liberal economic prescriptions produce extreme inequalities, offering opportunities for populism and authoritarianism to thrive. Opponents of globalization, like their predecessors in the European collectivist era, want to bring the nation-state, preferably led by a dominant ethnic group, back to the fore, limiting the power of foreign or multinational corporations and establishing tightened border controls that will prevent both populations and products coming in from abroad.

Geopolitics: the China challenge

Today, the single most significant external geopolitical challenge to the liberal order is posed by China.⁴⁷ Russia's asymmetric challenge is also significant, but the China challenge is multifarious, as the latter, unlike the former, is deeply entrenched in the globalized economy through its supply chains. Its high growth trajectory, ambitious leaders, and grand strategy of territorial revisionism based on a state capital-

⁴⁵ Watson Institute (Brown University), *Costs of War Project* (Providence, RI, Nov. 2019), <https://watson.brown.edu/costsofwar/papers/summary>.

⁴⁶ Beth A. Simmons, Frank Dobbin and Geoffrey Garrett, 'Introduction: the international diffusion of liberalism', *International Organization* 60: 4, 2006, pp. 781–810.

⁴⁷ Rosemary Foot, 'Remembering the past to secure the present: Versailles legacies in a resurgent China', *International Affairs* 95: 1, 2019, pp. 143–60.

ism model have begun to produce fundamental challenges to US hegemony and to the liberal international order itself. China's rapid development, especially in infrastructure and poverty alleviation, challenges the liberal model of economic development, as many liberal states have fallen behind in both areas. However, the Chinese model does not adequately address modernity's key challenges—namely, the joint pursuit of human advancement and freedom. The model is built on an erstwhile imperial idea of the tributary system (*tianxia*), combined with a one-party authoritarian state model, and it is likely to be difficult to recreate elsewhere, given the prevailing adherence to Westphalian nationalism across much of the world. Informal imperial control over some very weak states may be possible, if China develops such relationships of dependence with a number of fragile states. China is also unwilling to share power with other rising states, making coexistence difficult. It is apparent that China's debt diplomacy and infrastructure-building projects under the Belt and Road Initiative (BRI) are partially motivated by imperial goals.⁴⁸ The China challenge to the liberal order is accentuated by the fact that China may have gained some amount of soft power, or power of attraction, thanks to its rapid economic growth, infrastructure development, increasing role in international institutions, trade and investment linkages, and development assistance to developing countries across the world.⁴⁹ However, China's soft power is not showing a linear progression, having been inhibited by the Xi Jinping regime's aggressive policies towards, especially, Japan, Taiwan, India and south-east Asian states (over territorial claims in the South China Sea), and Beijing's 'wolf warrior diplomacy'. Repressive policies in Xinjiang, Hong Kong and Tibet have also dented China's soft power.⁵⁰ The worldwide spread of the virus causing COVID-19 from the Chinese province of Wuhan also generated a strong challenge to Chinese soft power as the Chinese government first attempted to cover up the extent to which the virus was spreading, and then refused to allow proper international inspections that could have prevented its continuing spread across the world. The soft power of liberal states, however, has also been dented, as they have failed to put their own houses in order and efficiently handle the many domestic challenges they face, including the health crisis, racial divisions, income distribution and infrastructure-building.⁵¹ In many liberal states, large numbers of COVID-19 cases and deaths, coupled with failing health-care systems, have accentuated the perception of them as weak states. The intimate relationship between internal successes and external perceptions is highly important for the fate of the liberal international order, especially in the ever-competitive geopolitical arena.

⁴⁸ Jonathan E. Hillman, 'The imperial overreach of China's Belt and Road Initiative', *Wall Street Journal*, 1 Oct. 2020, <https://www.wsj.com/articles/the-imperial-overreach-of-chinas-belt-and-road-initiative-11601558851>; Mingjiang Li, 'The Belt and Road Initiative: geo-economics and Indo-Pacific security competition', *International Affairs* 96: 1, 2020, pp. 169–88.

⁴⁹ On soft power, see Joseph S. Nye, Jr, *Soft power: the means to success in world politics* (New York: PublicAffairs, 2004).

⁵⁰ Feng Liu, 'The recalibration of Chinese assertiveness: China's response to the Indo-Pacific challenge', *International Affairs* 96: 1, 2020, pp. 9–28.

⁵¹ Farah Stockman, 'Rising to the challenge of China', *New York Times*, 18 March 2021, <https://www.nytimes.com/2021/03/18/opinion/biden-china.html?action=click&module=Well&pgtype=Homepage§ion=Opinion>.

The current challenge posed to that order is that authoritarian states with one-party rule and ambitious rulers can utilize their new-found wealth to promote their geopolitical ambitions. China has used its globalization-induced wealth to improve its position and pursue the urge to replace the United States as global hegemon. The authoritarian state has been able to co-opt some principles of liberal economic order while ignoring or actively working to suppress others, such as freedom and sovereign equality. China's wedge strategy has had some success, with many states in the global South participating in the BRI and even some European states not opposing Chinese authoritarianism strongly. The China challenge is asymmetrical in both the security and the economic spheres. China's BRI is a combination of a new form of East India Company model and imperial Japan's pre-Second World War Asian Co-prosperity Zone policy, but does not amount to direct imperial occupation. The BRI is built around pliable second-ranking states in Asia and Africa vying for Chinese investment and trade; but it retains the potential to generate a tributary model of relationship. Liberal states are not investing in many of these countries, and although the international agencies such as the IMF and World Bank offer some support, they tend to attach stringent conditions.

Russia also poses some major challenges to the liberal order, notably being alleged to have meddled in democratic elections in liberal states. However, this may be partly due to the liberal states' negligence of some of the pent-up expectations of Russia in terms of status and recognition of its largely unilateral action to end the Cold War. A Russia–China military alliance, however, is not an automatic outcome, as their respective territorial and geopolitical ambitions tend to collide in some areas. Both are increasingly turning to asymmetrical means, such as the use of social media and internet attacks, to challenge liberal states.⁵²

The difficulties the EU is facing in attempting to adapt to the new circumstances also bode ill for the liberal order, as the EU represents the most successful liberal order in practice since the Second World War.⁵³ The EU created and practised the three Kantian pillars of peace, democracy and economic interdependence to a quite remarkable extent, and was able to attract many new members after the breakup of the Warsaw Pact and the Soviet Union. Moreover, the social democratic and welfare states that the EU members fashioned have been quite successful in addressing extreme income inequalities and poverty. However, partly owing to globalization-induced inequalities and the flow of illegal migrants from Africa, the Middle East and south Asia, right-wing domestic forces have re-emerged in Europe to challenge the liberal order. Among the challenges the EU now faces is the unwillingness of some of its new members, in particular Hungary and Poland, to adhere to EU standards on democracy and accountability. But these do not yet amount to fatal blows to the European liberal order.

⁵² On this, see Larry Diamond, *Ill winds* (New York: Penguin, 2019), chs 6 and 7.

⁵³ Erik Jones and Anand Menon, 'Europe: between dream and reality?', *International Affairs* 95: 1, 2019, pp. 161–80.

The solution: reglobalization with internal reforms

One thing is clear: if liberalism is to survive, internal reforms in liberal states are the first prerequisite. In the past, survival was possible owing to the ability of liberal leaders to offer solutions to increasing proportions of their populations disgruntled by changing economic fortunes caused by unbridled capitalism and free market ideas propagated by liberals.⁵⁴ But meaningful internal reform is not unrelated to international adaptation and reforms to global governance. These reforms should promote civic nationalism and expand the attractive power of liberal societies. Reglobalization is needed, but with major modifications, including safeguards for freedom and the distribution of wealth, even when the competitive aspect of the liberal economic order is maintained.

Liberals ought to give internal and international development high priority along with free trade and the technological advancement of their own and developing countries, which they need to attract as democratic partners. Liberalism holds many advantages over competing models: no other system can offer prosperity and social change via peaceful means to the extent that a potentially reformed liberal order can. Internationally, liberal ideas can offer the possibility of changes in global governance structure by accommodating rising powers peacefully. Despite the possibility of violence by liberal states towards non-liberal states and weaker developing countries, internal power transfers are more often peacefully achieved through the liberal mechanism of periodic elections than through any other political system to date. But liberals need to propagate the virtues of civic nationalism as opposed to the ethnic nationalism that populists tend to favour. They need to increase education in the history of liberalism, emphasizing its attractiveness as a model of governance compared to other systems. This may also mean abandoning the imperial project to which many western liberals still adhere, whether consciously or unconsciously.

As long as humans want freedom and economic progress and other systems cannot offer both simultaneously, the liberal model has a future, although it will be challenged by collectivist impulses. Internationally, liberal states have been more successful in attracting supporters, partly because they have been more effective in creating wealth for their countries and large sections of their populations. Liberal states have been the wealthiest ones for over 200 years, partly helped by their colonial and imperial exploitations. They cannot remain wealthy forever, however, without technological advancement and additional markets and followers. There is a tendency among countries to bandwagon with the most powerful economies; and so, if China becomes the world's most powerful economy, it will attract a number of states to its orbit. The need for reglobalization emerges from this geopolitical imperative of avoiding the concentration of wealth in an unpredictable and authoritarian China whose regime has many Orwellian features. Reglobalization is necessary for the survival of the liberal states.

⁵⁴ In historical examples of declining powers, not all coping strategies have succeeded. See Frederic Merand, ed., *Coping with geopolitical decline: the United States in European perspective* (Montreal and Kingston: McGill-Queen's University Press, 2020).

John Ikenberry suggests that globalization has upended the political foundations of the liberal order and weakened the western security community.⁵⁵ However, the solution, which is becoming clearer as the Biden presidency in the United States becomes established, does not lie in recreating a narrow western security community, largely based on ethnic and racial affinity. Such a community could generate an intense Cold War competition with China and Russia which might recreate many illiberal ideas implemented by liberals in the past, including exclusivist policies and containment strategies and mindless interventions in weaker states. There is no guarantee that such an order will give the West victory again, especially in respect of the allegiance of new states in the global South. The liberal West needs good relationships with many of the emerging economies of Asia, Africa and Latin America in particular to sustain itself and to remain prosperous. It needs more markets, more skilled immigrants and more reliable partners, especially in developing new technologies and facing collective action problems such as the calamities induced by climate change and global pandemics. The persistence of the liberal order will require the successful inculcation of liberal ideals in new states and actors, and this in turn means reglobalization with meaningful reforms that involve those states and actors. Simultaneous expansion of market economies and human development should be the strategy for the persistence of the liberal order.

This is partly because, first, the West has a demographic disadvantage. The decline in working-age populations means fewer hands to produce more wealth and taxes to pay for the ageing populations and their welfare. Second, America's relative decline and/or its isolation from the world are possible, given its domestic divisions and the disruptions caused by the COVID-19 pandemic. Hence the need for a broader liberal coalition that can mount a defence against illiberal powers and their ideas. Third, China is not the Cold War Soviet Union: it is proving to be the world's factory, with much higher achievements in productivity, technological advancement and trade penetration than the USSR. Fourth, the technological and economic hub of the world is no longer Europe but the Asia-Pacific region, where the Europeans are secondary players. Fifth, Europeans themselves may follow hedging strategies and thereby play the United States and China off against each other. Finally, the possible addition of India may be helpful for the liberal order, but Narendra Modi and his Bharatiya Janata Party are upending many liberal ideas about freedom, democracy and secularism. India's conflict with China could potentially produce a geopolitical alliance of New Delhi with Washington to balance China in the Asia-Pacific, even though it is unlikely India will play according to American rules all the time.

The three areas where liberals need to work energetically to reglobalize are the traditional triad which enabled the liberal peace: economic interdependence/free trade; democracy promotion; and the strengthening of international institutions and their rules, norms and principles. However, a fourth element now needs to be added: namely, reinvigoration of the domestic capacities of liberal states and their allies by promoting strategies for fair distribution of income, amelioration of

⁵⁵ Ikenberry, *A world safe for democracy*, p. 11.

class and racial divisions, and the skill development of lower-income populations to allow marginalized communities to benefit from liberal economic progress.

Economic interdependence

While globalization has made considerable progress in expanding global trade and investment, illiberal countries such as China have become disproportionate beneficiaries without following many liberal ideals. If China advances further along these lines, it will attempt to dominate the world economic and security orders. In order to prevent this possibility, the United States and other liberal states need alternative markets in which it is possible to prevent Chinese domination. India, Africa, Latin America and south-east Asia offer such opportunities. Rule-based trade and investment would require more market-friendly ideas. But free trade agreements and preferential trade agreements should be attached to social development in these countries and to economic policies that support income distribution and democratic governance practices. Infrastructure development is another area where China has acquired considerable strength and is expanding its involvement abroad. A liberal presence in these states, by offering viable alternative infrastructure and developmental projects, will prevent total domination by illiberal China and potentially restrain Beijing's conduct towards them. This means the liberal states have to come up with a better alternative to proxy wars for confronting China's challenge. This may mean developmental aid superior to China's, accompanied by better conditions that prevent the poor becoming poorer as a result of corrupt leaders with weak institutional restraints siphoning off direct aid.

Democracy promotion

Liberal states have nothing to be ashamed of in promoting democracy and basic freedoms; but this must be done by peaceful means and the encouragement of non-violent movements in illiberal countries, accepting that not all of them may produce immediate positive results. Liberal democratic triumphs have occurred in waves, and by the mid-2010s all regions except the Middle East had become democratic to some degree and in some sense. This has not prevented democratic backsliding and the rise of illiberal democracies; however, to avoid these undesirable outcomes, persuasion and education are to be preferred over coercion and military interventions, which produce extraordinary suffering and social dislocations. If humanitarian interventions are necessary, they should be collective and legitimate, undertaken with UN support. Liberal interventions with poor exit strategies, and liberal support for some of the most authoritarian states in the Middle East, have gravely damaged regional peace and order.

Democracy promotion also entails liberals becoming themselves champions of democracy and defeating illiberal populists who do not believe in democratic ideals. Liberal democracy is the biggest target of illiberal and authoritarian regimes that wish to base political authority on the basis of absolutist ideas upheld by ruling

groups or religious and political ideologues. None of these contending models can offer the core values of liberal democracy: civil rights; equality before the law; freedoms of religion, speech and press; a government that derives its authority from the consent of its people; constitutional laws that limit the power of the state; separation of powers; checks and balances; and an independent judiciary. The liberal economy is based on private property, although many modern liberal states have adopted welfare states and social democratic ideas. An active civil society, comprising groups and associations existing beyond state control, can help sustain and support democratic values and practices as well as social trust among populations.⁵⁶ Populists have very few answers to current domestic or global problems. Rhetoric based on intuition rather than evidence-based analysis, along with sloganeering and denial of the truth, have all been used before, with disastrous consequences. In many democracies, domestic liberal institutions have been compromised through active manipulation by illiberal political agents. Their defeat will require public education in the value of democracy and in how alternative systems will chip away their freedoms. Global promotion of democracy should retain the core objectives of liberalism; but if liberals do not practise at home what they preach abroad, their words will ring hollow.

Liberal states cannot claim to be promoting democracy globally if they undermine democracy at home and align themselves with selected autocracies for geopolitical reasons. The rise of identity politics has seen large-scale illiberal and right-wing parties gaining control of considerable segments of western democratic space today. Even European welfare states such as the Netherlands, Austria, Germany, Denmark, Norway, Sweden and Finland have seen an increase in the vote share of right-wing parties. In the United States the Republican Party, especially supporters of Donald Trump, have engaged in all forms of activities to curtail access to democratic rights by black people and racial minorities. An internal democratic resurgence will require liberal forces to combat these tendencies effectively by social mobilization, education—including sustained education of the public in the need to preserve core democratic values, propaganda, and active legislative measures to improve the quality of democracy.

International institutions and democratic global governance

It is clear that liberalism's great contribution to global order has been international institutions that act as arenas for peaceful change. However, these institutions need liberal states' support for reform. Many of these institutions, such as the UN Security Council, the IMF and the World Bank, have become moribund and do not reflect the political realities of the twenty-first century. These institutions could be expanded, and liberal states should encourage new entrants to follow liberal ideals and institutional principles. Institutional reforms should mean better standards and the participation of new states that follow liberal rules and

⁵⁶ For these virtues of liberal democracies, see Ikenberry, *A world safe for democracy*, p. 46.

standards. Institutional mechanisms are especially needed to prevent cyber wars, including social media intrusions and incapacitating cyber attacks.

Liberal interventions in the name of the Responsibility to Protect (R2P) have been an important innovation in the post-Cold War era. However, these have been criticized for departing from the Westphalian non-interventionist norm, and for being directed against only very weak developing countries while powerful states have been exempt.⁵⁷ US interventions for geopolitical reasons created much destruction in and weakening of states such as Iraq and Libya (although the latter intervention was led by France and Britain). The question is how to encourage the UN, especially the Security Council, as well as the peacekeeping agencies, to develop protocols and strategies for humanitarian interventions that actually promote liberal ideas rather than undermine them. More attention needs to be given to the structural violence generated by liberal interventions and economic sanctions—the latter akin to carpet bombing by other means; hence the need for creating institutions that can intervene effectively for humanitarian purposes.

Finally, liberals need to improve state capacity and address distributional challenges more effectively. In order for that to occur, liberals need to reinvent the welfare state in a new fashion, and avoid giving the neo-liberal *laissez-faire* idea full rein in critical sectors such as education, health care and infrastructure-building. The failure of the United States and west European states in particular to confront the COVID-19 crisis in a timely and humane fashion is the latest blow to their credentials as caring systems. Without the welfare state, liberal states will not thrive for long, especially when confronting existential crises such as the one we are facing today. Without social justice, liberalism will die, as classes and races will rise against it, and the peaceful change the liberal order offers will vanish. Gender and racial equality are today becoming part of global discourse, and liberals are yet to offer meaningful ideas for their incorporation. A great opportunity exists for liberals to take leadership roles in addressing racial inequalities and come up with meaningful reforms in policing, criminal justice and prison systems. While refined social democratic ideas may be necessary to tame class divisions, overcoming racial and gender divisions may require additional social engineering.

The European model needs reinvigoration. The ethnic and racial divisions call for the education and socialization of populations in the virtues of multicultural societies. At the same time, Europe needs to do more to prevent refugee flows, the solution to which may lie in the home countries of refugees where efforts need to be made to stop political persecution and economic deprivation. If the EU succeeds in the better integration of eastern Europe and the Balkan states into its democratic union, a major cause for intra-European conflict could be avoided for some time to come.

⁵⁷ For the tension between liberal tendencies towards intervention for imperial reasons of imposition and those towards restraint and moderation, see Georg Sorensen, *A liberal world order in crisis: choosing between imposition and restraint* (Ithaca, NY: Cornell University Press, 2011).

Conclusions

The continued decline of the liberal order is not inevitable. Its current deterioration is largely due to internal decline, as external challengers are yet to take substantial shape. However, liberal ideals, like any system of governance and economic activity, need reform and constant adaptation. In the past, it has been this ability to adapt to different circumstances and to the challenges posed by illiberal states and domestic opponents that has saved liberalism from completely vanishing. Externally, liberals were able to withdraw, even when the countries where they intervened remained battered and bruised, and even though the United States in particular wasted trillions of dollars in those unnecessary wars. The larger question is: can today's liberals adapt to the new realities generated by intensified globalization as their ancestors were able to adapt to the challenges of the past? This article first discussed the onset of globalization as an offshoot of liberal expansion, and then presented the challenges that globalization-induced changes posed to the liberal order, especially in the domestic arena. The pressures for deglobalization are everywhere, most notably as the result of populism and of China's rise as a countervailing power to the liberal order.

In the face of challenges from within by the populists and from without by non-liberal states such as China and Russia, can the liberal states sustain and improve the order they helped to build in the postwar era? Can the liberal states produce a new line of leadership with fresh ideas to confront the contemporary challenges created by globalization and rising inequalities? World peace and international order may depend on their success. The serious efforts at reglobalization proposed here, on the basis of the three principles plus a renewed welfare state, are essential if liberalism is to regain the ascendancy and a continued presence in world politics as a progressive force for freedom and peace. But, as the articles in this special issue show, this cannot be, as it was in the past, an exclusively western-centric order or one that benefits primarily western countries; instead, it must be a truly inclusive global order.