

The Corona Virus Crisis: The Latest of Many Challenges to the Liberal International Order

T.V. Paul

Abstract The current corona virus crisis is the latest of a series of challenges that the liberal international order has faced during the past several decades. A number of illiberal, populist leaders have emerged in the US, Brazil, India, Turkey, and Hungary in particular who represent the ideological challenge from within. As globalization's appeal wanes, liberalism is likely to confront new challenges all across the world in the coming years.

The liberal international order is based on three core mechanisms embodied in the 18th century German philosopher Immanuel Kant's vision: international institutions, universal democracy, and economic interdependence. These mechanisms are expected to generate restraints on states. Institutions play a key role in restraining arbitrary behaviour of states by creating proper rules and regulations. Democracy is expected to produce both internal and external restraints on the use and abuse of power, which is critical to the behaviour of democratic states toward fellow democracies. Economic interdependence is believed to produce peace among states. Rule-based international order is expected to improve deliberative understanding among states, as well as cooperation and integration through ever increasing institutional networks. In its contemporary manifestations, the order is underwritten by American military and economic power, although many a times the US has deviated from liberal principles.

All the above propositions assume that liberal states are more likely to generate prudent, democratically oriented leaders. If they are led by reckless leaders, the international system will punish them with external failures or internal electoral defeats. The liberal states also lose their reputation for making credible commitments. The challenge is that democracies, even mature ones, can produce reckless leaders. Some of these liberal leaders also may be driven by reckless ideas and can drag international order to a constant crisis mode.

President Donald Trump questions all the three elements of liberal international order. The US policies today challenge international institutions. The UN is used by the administration largely as a platform for projecting American power, rather than solving collective action problems, whether it is the Corona virus crisis, conflicts in Syria or Yemen, or those disruptions caused by climate change and global warming. Democracy and democratic principles are not valued sufficiently by the administration. Economic interdependence is questioned, as unilateral gains are sought through the imposition of tariffs on partners instead of maintaining a rule-based trading system. The administration's challenge to the World Trade Organization (WTO) and the World Health Organization (WHO) shows a pattern of the US abandoning international institutions, that it has helped to set up and supported to solve collective action problems. This appears to be caused by a realization that the anticipated support of these institutions to the maintenance of US hegemony may not be happening but instead they have become arenas for others, especially China, to further their agendas. Moreover, as China's rapid rise shows, economic interdependence and sustained economic growth are not the monopoly of liberal states alone.

Indeed, the liberal order is going through a rough new phase in its evolution. The “End of History” arguments by Francis Fukuyama and other optimist liberal scholars, after the liberal states’ victory in the Cold War, appear to have been a short-lived exuberance. It seems liberal defenders at the policy level are yet to produce solutions to collective action problems generated by market failures and excesses of the free trade system. The difficulties to offer joint efforts to face both the humanitarian and economic challenges posed by the current pandemic crisis, is the most significant event still unfolding. In the past, when liberals faced existential crises, they came up with powerful ideas and policy solutions to rectify the ills of the liberal order. The Wilsonian institutional innovations after World War I, contained in his 14 points (although eventually a failure), laid the foundations of a later institutionalist order, built around the UN, and also promoted the idea of national self-determination. President Franklin D. Roosevelt’s post-depression innovation based on the New Deal, as well as welfare state principles, 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. The Lyndon Johnson era “great society” innovations and civil rights reforms drastically saved the US from becoming a theatre of extreme racial inequalities and racial violence, although challenges exist in both areas. European liberals in the immediate post-war era went a step further by creating cradle to death welfare ideas and social democratic principles, some of which were drawn from socialism and communism. They helped the preservation of freedom by halting social and political movements that would have dragged their countries into major social upheavals.

The post-Cold War era’s intense globalization has made some major successes in global distribution of wealth. The rise of China and India would not have happened without economic globalization of which these states have made good use. Thus, the liberal mechanisms of economic interdependence and international institutions have helped the partial accommodation of these rising powers. But, the wealth distribution within the so-called globalized countries remains extremely skewed and the gap between the rich and poor is increasing widely. The most affected by the current lockdowns in both rich and poor countries are the poor and members of the lower middle class some of whom had made limited progress in poverty alleviation in the past two decades. Liberals in advanced industrial countries did not come up with any meaningful solutions to this problem of wealth distribution. Even countries like China and India, that have adopted many liberal prescriptions for growth are producing billionaires and millionaires, often not realizing that eventually the distributional conflicts will catch up with them. Populism is a direct result of distributional inequalities and the unhappiness among certain sections of the electorate such as in the Midwest and the Southern United States who have lost faith in the ability of liberal elites to offer them much economic hope. Today, liberals in general shrug off their responsibilities in solving social and economic problems and leave it to market mechanisms. Electoral defeats are yet to produce a strong counter narrative by liberal

Democrats to Donald Trump's populist solutions. Making quality education affordable and allowing lower middle-class children to come out of poverty and unemployment may be the key solution to the divisions in the society. But they are yet to offer a meaningful program for the redistribution of wealth.

The distributional challenges liberals are facing internally have a way of going beyond national borders. The dismantling of domestic institutions, electoral processes and administrative and regulatory arms of the state, generates chaos internally and once the checks and balances are lost, the elite could engage in reckless adventures abroad. The reputation that democratic states have acquired over the years as promoters of peace would be one of the first casualties and the emulative power of the democratic state could be lost, especially among developing countries.

The larger question is can today's liberals adapt to new realities as their forefathers were able in the past? The failure of the US in particular to confront the corona crisis in a timely and humane fashion is the latest blow to its credentials of caring systems. Without the welfare state, liberal states won't thrive too long, especially when facing existential crisis such as the one we are facing today. As Karl Polanyi argues in his book, the Great Transformation, history has seen double movements of both expansion and contraction. In the face of the challenges from within by the populists and from without by non-liberal states such as China and Russia can the liberal states manage the order they helped to build in the post-war era? Can the liberal states produce a new line of leadership with fresh ideas to face contemporary challenges created by globalization and rising inequalities? World peace and international order may depend on their success.

T.V. Paul is James McGill Professor of International Relations at McGill University and a Fellow of the Royal Society of Canada. He is the founding director of the Global Research Network on Peaceful Change (GRENPEC) and a former president of the International Studies Association (ISA). His latest book is: *Restraining Great Powers: Soft Balancing from Empires to the Global Era* (Yale University Press 2018).