

## CHAPTER 4

# Liberalism

Introduction: Basic Liberal Assumptions	100	Liberalism and World Order	126
Sociological Liberalism	102	Liberalism: The Current Research Agenda	128
Interdependence Liberalism	106		
Institutional Liberalism	110		
Republican Liberalism	113		
Neorealist Critiques of Liberalism	118		
The Retreat to Weak Liberalism	120		
The Counter-attack of Strong Liberalism	122		
		<b>KEY POINTS</b>	<b>130</b>
		<b>QUESTIONS</b>	<b>130</b>
		<b>GUIDE TO FURTHER READING</b>	<b>131</b>
		<b>WEB LINKS</b>	<b>131</b>

### ■ Summary

This chapter sets forth the liberal tradition in IR. Basic liberal assumptions are: (1) a positive view of human nature; (2) a conviction that international relations can be cooperative rather than conflictual; (3) a belief in progress. In their conceptions of international cooperation, liberal theorists emphasize different features of world politics. Sociological liberals highlight transnational non-governmental ties between societies, such as communication between individuals and between groups. Interdependence liberals pay particular attention to economic ties of mutual exchange and mutual dependence between peoples and governments. Institutional liberals underscore the importance of organized cooperation between states; finally, republican liberals argue that liberal democratic constitutions and forms of government are of vital importance for inducing peaceful and cooperative relations between states. The chapter discusses these four strands of liberal thought and a debate with neorealism to which it has given rise. The concluding section evaluates the prospects for the liberal tradition as a research programme in IR.

## Introduction: Basic Liberal Assumptions

Why read a chapter on the liberal tradition in IR? The short answer is that you need to know the liberal tradition to form your own opinion about one of the most keenly debated issues in IR: the pessimistic view of realism versus the optimistic view of liberalism. The previous chapter introduced the realist tradition, with its focus on power and conflict. This chapter is about the sharply contrasting liberal view. How can liberals be optimistic? Why do they see a more peaceful world down the road? What are their arguments and beliefs?

The liberal tradition in IR is closely connected with the emergence of the modern liberal state. Liberal philosophers, beginning with John Locke in the seventeenth century, saw great potential for human progress in modern civil society and capitalist economy, both of which could flourish in states which guaranteed individual liberty. Modernity projects a new and better life, free of authoritarian government, and with a much higher level of material welfare (Box 4.1).

The process of modernization unleashed by the scientific revolution led to improved technologies and thus more efficient ways of producing goods and mastering nature. That was reinforced by the liberal intellectual revolution which had great faith in human reason and rationality. Here is the basis for the liberal belief in progress: the modern liberal state invokes a political and economic system that will bring, in Jeremy Bentham's famous phrase, 'the greatest happiness of the greatest number' (see web link 4.03).

Liberals generally take a positive view of human nature. They have great faith in human reason and they are convinced that rational principles can be applied to international affairs. Liberals recognize that individuals are self-interested and competitive up to a point. But they also believe that individuals share many interests and can thus engage in collaborative and cooperative social action, domestically as well as internationally, which results in greater benefits for everybody at home and abroad. In other words, conflict and war are not inevitable; when people employ their reason they can achieve mutually beneficial cooperation not only within states but also across international boundaries. Liberal theorists thus believe

### BOX 4.1 Modernization

Between 1780 and 1850, in less than three generations, a far-reaching revolution, without precedent in the history of Mankind, changed the face of England. From then on, the world was no longer the same. The Industrial Revolution transformed Man from a farmer-shepherd into a manipulator of machines worked by inanimate energy . . . [It] opened up a completely different world of new and untapped sources of energy such as coal, oil, electricity and the atom. From a narrow technological point of view, the Industrial Revolution can be defined as the process by which a society gained control of vast sources of inanimate energy; but such a definition does not do justice to this phenomenon . . . as regards its economic, cultural, social and political implications.

Cipolla (1977: 7–8)

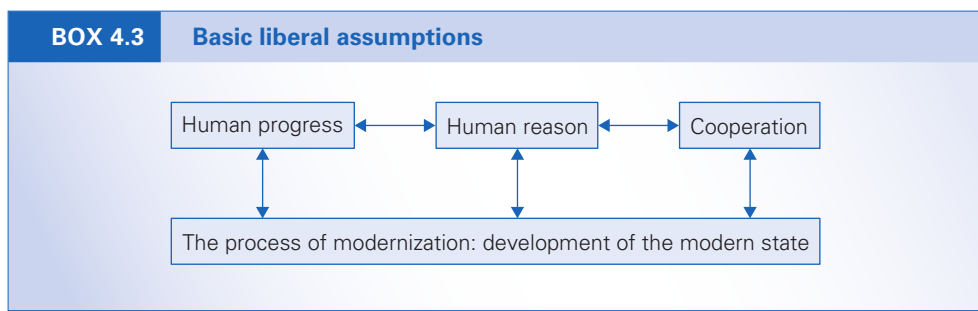
that human reason can triumph over human fear and the lust for power. But they disagree about the magnitude of the obstacles on the way to human progress (Smith 1992: 204). For some liberals it is a long-term process with many setbacks; for others, success is just around the corner. However, all liberals agree that in the long run cooperation based on mutual interests will prevail. That is because modernization constantly increases the scope and the need for cooperation (Zacher and Matthew 1995: 119) (see Box 4.2).

The belief in progress is a core liberal assumption. But it is also a point of debate among liberals (see Pollard 1971: 9–13). How much progress? Scientific and technological for sure, but also social and political? What are the limits of progress? Are there any limits? Progress for whom? A small number of liberal countries or the entire world? The scope and degree of liberal optimism as regards progress has fluctuated over time. Many early liberals were inclined to be thoroughly optimistic; we have also noted the surge of utopian liberalism around the First World War. After the Second World War, however, liberal optimism became more muted. Robert Keohane, for example, cautiously notes that liberals at a minimum believe ‘in at least the possibility of cumulative progress’ (Keohane 1989a: 174). Yet there was another surge of liberal optimism after the end of the Cold War, propelled by the notion of ‘the end of history’ based on the defeat of communism and the expected universal victory of liberal democracy (Fukuyama 1989, 1992). However, the terrorist attacks in New York and Washington of 11 September 2001, followed by the attacks in Madrid, London, and elsewhere, are a setback for liberal optimism.

Progress for liberals is always progress for individuals. The core concern of liberalism is the happiness and contentment of individual human beings. John Locke (see web link 4.05) argued that states existed to underwrite the liberty of their citizens and thus enable them to live their lives and pursue their happiness without undue interference from other people. In contrast to realists, who see the state first and foremost as a concentration and instrument of power, a *Machtstaat*, liberals see the state as a constitutional entity, a *Rechtsstaat*, which establishes and enforces the rule of law that respects the rights of citizens to life, liberty, and property. Such constitutional states would also respect each other and would deal with each other in accordance with norms of mutual toleration. That argument was expanded by Jeremy Bentham—an eighteenth-century English philosopher—who coined the term ‘international law’. He believed that it was in the rational interests of constitutional states to adhere to international law in their foreign policies (Rosenblum 1978: 101). The argument was further expanded by Immanuel Kant, an eighteenth-century German philosopher. He thought that a world of such constitutional and mutually respectful states—he called them ‘republics’—could eventually establish ‘perpetual peace’ in the world (Gallie 1978: 8–36). Box 4.2 summarizes the focus of leading classical liberal thinkers.

In summary, liberal thinking is closely connected with the emergence of the modern constitutional state. Liberals argue that modernization is a process involving progress in most areas of life. The process of modernization enlarges the scope for cooperation across international boundaries. Progress means a better life for at least the majority of individuals. Humans possess reason, and when they apply it to international affairs greater cooperation will be the end result (see Box 4.3).

BOX 4.2 Classical liberalism		
<b>FOCUS:</b> freedom, cooperation, peace, progress		
<b>EARLY THINKERS:</b>		
<b>Locke</b> (1632–1704) The rule of law ‘Rechtsstaat’	<b>Bentham</b> (1748–1832) Liberal states respect international law	<b>Kant</b> (1724–1804) ‘Republics will establish perpetual peace’



In Chapter 2, we presented the utopian or idealist liberalism of the 1920s. This chapter focuses on liberal theory after the Second World War. It is useful to divide post-war liberalism into four main strands of thinking: **sociological liberalism**; **interdependence liberalism**; **institutional liberalism**; and **republican liberalism** (Nye, Jr 1988: 246; Keohane 1989a: 11; Zacher and Matthew 1995: 121). The following sections of this chapter will focus on each one in turn. It will not be possible to address all the relevant scholarly works or to demonstrate in detail how contemporary liberal thought builds on classical liberal thinking. Our focus will be on important contributions that represent each of these strands. We have chosen this division into four major strands because we find that they bring out the most important aspects of current liberal ideas about international relations.

## Sociological Liberalism

For realists, IR is the study of relations between the governments of sovereign states. Sociological liberalism rejects this view as too narrowly focused and one-sided. IR is not only about state–state relations; it is also about transnational relations, i.e., relations between

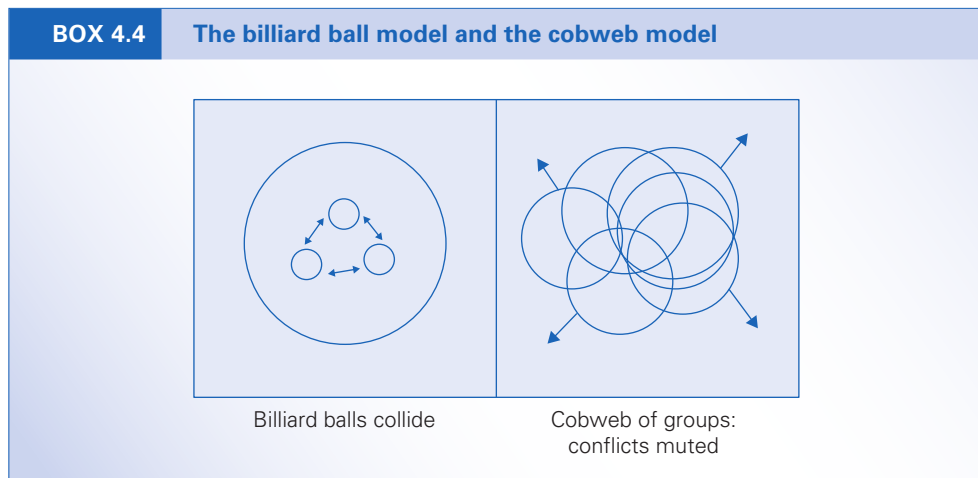
people, groups, and organizations belonging to different countries. We should note that this emphasis on society as well as the state, on many different types of actors and not just national governments, has led some to identify liberal thought by the term 'pluralism'.

Transnational relations are considered by sociological liberals to be an increasingly important aspect of international relations (see web links 4.09 and 4.10). James Rosenau defines transnationalism as follows: 'the processes whereby international relations conducted by governments have been supplemented by relations among private individuals, groups, and societies that can and do have important consequences for the course of events' (Rosenau 1980: 1). In focusing on transnational relations, sociological liberals return to an old theme in liberal thinking: the notion that relations between people are more cooperative and more supportive of peace than are relations between national governments. Richard Cobden, a leading nineteenth-century liberal thinker, put the idea as follows: 'As little intercourse betwixt the Governments, as much connection as possible between the nations of the world' (Taylor 1957: 49; Cobden 1903: 216); by 'nations' Cobden was referring to societies and their membership.

During the 1950s Karl Deutsch was a leading figure in the study of transnational relations. He and his associates attempted to measure the extent of communication and transactions between societies. Deutsch argues that a high degree of transnational ties between societies leads to peaceful relations that amount to more than the mere absence of war (Deutsch et al. 1957). It leads to a security community: 'a group of people which has become "integrated"'. Integration means that a 'sense of community' has been achieved; people have come to agree that their conflicts and problems can be resolved 'without resort to large-scale physical force' (Deutsch et al. 1957: 5). Such a security community has emerged, argues Deutsch, among the Western countries in the North Atlantic area. He lists a number of conditions that are conducive to the emergence of security communities: increased social communication; greater mobility of persons; stronger economic ties; and a wider range of mutual human transactions.

Many sociological liberals hold the idea that transnational relations between people from different countries help create new forms of human society which exist alongside or even in competition with the nation-state. In a book called *World Society* John Burton (1972) proposes a 'cobweb model' of transnational relationships. The purpose is to demonstrate how any nation-state consists of many different groups of people that have different types of external tie and different types of interest: religious groups, business groups, labour groups, and so on. In marked contrast, the realist model of the world often depicts the system of states as a set of billiard balls: i.e., as a number of independent, self-contained units (Box 4.4). According to sociological liberals such as Burton, if we map the patterns of communication and transactions between various groups we will get a more accurate picture of the world because it would represent actual patterns of human behaviour rather than artificial boundaries of states (see web link 4.14).

Burton implies that the cobweb model points to a world driven more by mutually beneficial cooperation than by antagonistic conflict. In this way the cobweb model builds on an earlier liberal idea about the beneficial effects of cross-cutting or overlapping group memberships. Because individuals are members of many different groups, conflict will be muted



if not eliminated; overlapping memberships minimize the risk of serious conflict between any two groups (Nicholls 1974: 22; Little 1996: 72).

James Rosenau has further developed the sociological liberal approach to transnational relations (Rosenau 1990, 1992). He focuses on transnational relations at the macro level of human populations in addition to those conducted at the micro level by individuals (Box 4.5). Rosenau argues that individual transactions have important implications and consequences for global affairs. First, individuals have greatly extended their activities owing to better education and access to electronic means of communication as well as foreign travel. Second, states' capacity for control and regulation is decreasing in an ever more complex world. The consequence is a world of better informed and more mobile individuals who are far less tied than before to 'their' states. Rosenau thus sees a profound transformation of the international system that is underway: the state-centric, anarchic system has not disappeared but a new 'multi-centric world has emerged that is composed of diverse "sovereignty-free" collectivities which exist apart from and in competition with the state-centric world of "sovereignty-bound" actors' (Rosenau 1992: 282). Rosenau thus supports the liberal idea that an increasingly pluralist world, characterized by transnational networks of individuals and groups, will be more peaceful. In some respects it will be a more unstable world, because the old order built on state power has broken down; but only rarely will conflicts lead to the use of force, because the numerous new cosmopolitan individuals that are members of many overlapping groups will not easily become enemies divided into antagonistic camps.

A recent statement of sociological liberalism was made by Phil Cerny (2010). He underlines the many ways in which the distinction between 'domestic' and 'international' is being challenged, leading to a transformation of the state (see box 4.6). Where these processes will eventually lead remains uncertain; Cerny outlines four different major scenarios, ranging from 'rosy' and cooperative towards 'hegemonic' and more conflict-prone.

**BOX 4.5    The importance of individuals in global politics**

Citizens have become important variables . . . in global politics . . . [for] at least five reasons:

1. The erosion and dispersion of state and governmental power.
2. The advent of global television, the widening use of computers in the workplace, the growth of foreign travel and the mushrooming migrations of peoples, the spread of educational institutions . . . has enhanced the analytic skills of individuals.
3. The crowding onto the global agenda of new, interdependence issues (such as environmental pollution, currency crises, the drug trade, AIDS, and terrorism) has made more salient the processes whereby global dynamics affect the welfare and pocketbooks of individuals.
4. The revolution of information technologies has made it possible for citizens and politicians literally to 'see' the aggregation of micro actions into macro outcomes. People can now observe support gather momentum as street rallies, the pronouncements of officials, the responses of adversaries, the comments of protesters . . . and a variety of other events get portrayed and interpreted on television screens throughout the world.
5. This new-found capacity of citizens to 'see' their role in the dynamics of aggregation has profoundly altered . . . possibly even reduced, the extent to which organization and leadership are factors in the mobilization of publics . . . Leaders are increasingly becoming followers because individuals are becoming increasingly aware that their actions can have consequences.

Rosenau (1992: 274–6)

**BOX 4.6    Phil Cerny on state transformation**

What we are seeing is not the disappearance of the state but the actual transformation of the state, its absorption into transnational webs of politics and power, and the reconstruction of the notion of 'statehood' itself along multilevel, multinodal lines. The key driving force in this transformation and reconstruction will be transnationally linked groups of political actors engaging in crosscutting competition and coalition-building behaviour, exploiting the growing institutional loopholes of global politics, constructing new power games, creating new networks, and changing people's perceptions of how world politics works by changing the parameters and dynamics of who gets—and should get—what, when, and how.

Cerny (2010: 22-3)

We can summarize sociological liberalism as follows. IR is not only a study of relations between national governments; IR scholars also study relations between private individuals, groups, and societies. Overlapping interdependent relations between people are bound to be more cooperative than relations between states because states are exclusive and, according to sociological liberalism, their interests do not overlap and cross-cut. A world with a large number of transnational networks will thus be more peaceful.

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## Interdependence Liberalism

Interdependence means mutual dependence: peoples and governments are affected by what happens elsewhere, by the actions of their counterparts in other countries. Thus, a higher level of transnational relations between countries means a higher level of interdependence. That also reflects the process of modernization, which usually increases the level of interdependence between states. The twentieth century, especially the period since 1950, has seen the rise of a large number of highly industrialized countries. Richard Rosecrance (1986, 1995, 1999) has analysed the effects of these developments on the policies of states. Throughout history states have sought power by means of military force and territorial expansion. But for highly industrialized countries economic development and foreign trade are more adequate and less costly means of achieving prominence and prosperity. That is because the costs of using force have increased and the benefits have declined. Why is force less beneficial for states and trade increasingly so? The principal reason, according to Rosecrance, is the changing character and basis of economic production, which is linked to modernization. In an earlier age the possession of territory and ample natural resources were the key to greatness. In today's world that is no longer the case; now a highly qualified labour force, access to information, and financial capital are the keys to success (see web link 4.18).

The most economically successful countries of the post-war period are the 'trading states' such as Japan and Germany. They have refrained from the traditional military-political option of high military expenditure and economic self-sufficiency; instead, they have chosen the trading option of an intensified international division of labour and increased interdependence. Many small countries are also 'trading states'. For a long time the very large countries, most notably the former Soviet Union and the United States, pursued the traditional military-political option, thereby burdening themselves with high levels of military expenditure. That has changed in recent decades. According to Rosecrance, the end of the Cold War has made that traditional option less urgent and thus less attractive. Consequently, the trading-state option is increasingly preferred even by very large states (see web links 4.15 and 4.16).

Basically these liberals argue that a high division of labour in the international economy increases interdependence between states, and that discourages and reduces violent conflict between states. There still remains a risk that modern states will slide back to the military option and once again enter into arms races and violent confrontations. But that is not a likely prospect. It is in the less developed countries that war now occurs, according to Rosecrance, because at lower levels of economic development land continues to be the dominant factor of production, and modernization and interdependence are far weaker.

During the Second World War, David Mitrany (1966) set forth a **functionalist theory of integration**, arguing that greater interdependence in the form of transnational ties between countries could lead to peace. Mitrany believed, perhaps somewhat naively, that cooperation should be arranged by technical experts, not by politicians. The experts would devise solutions to common problems in various functional areas: transport, communication, finance, and so on. Technical and economic collaboration would expand when the participants discovered the mutual benefits that could be obtained from it. When citizens



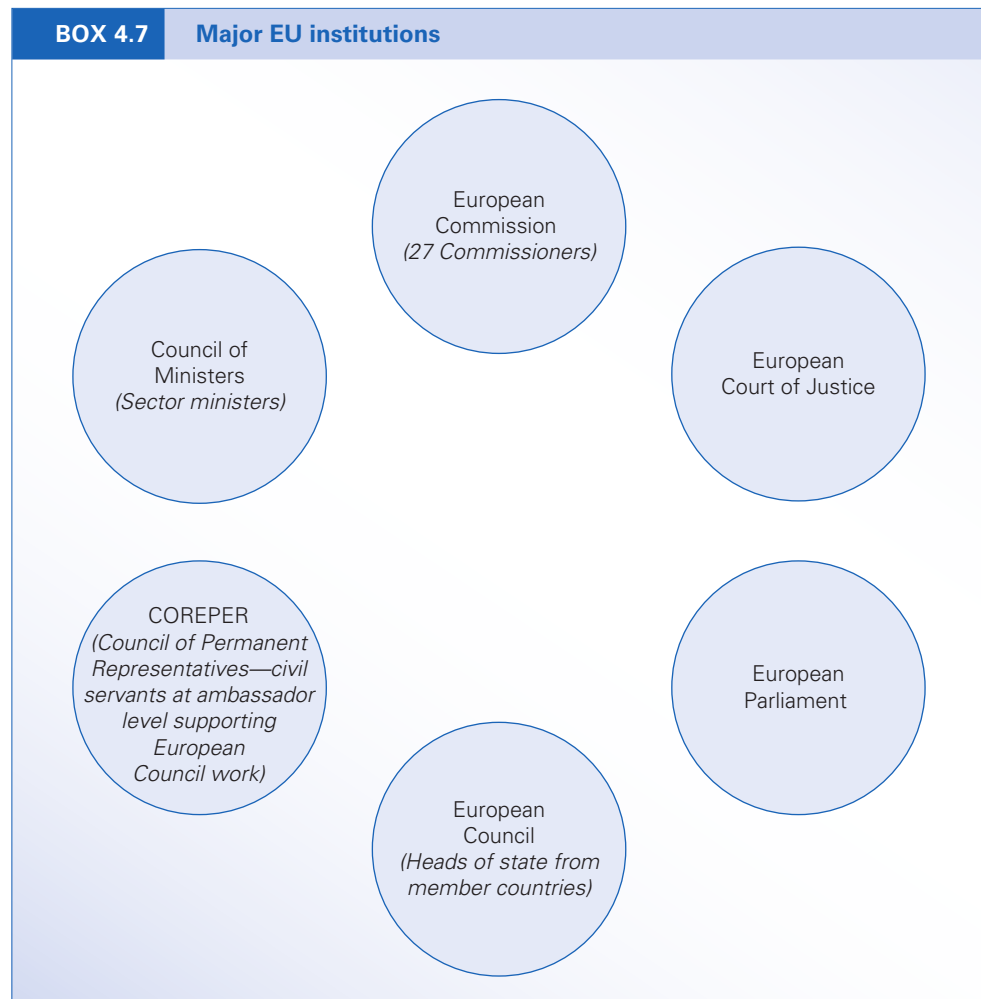
saw the welfare improvements that resulted from efficient collaboration in international organizations, they would transfer their loyalty from the state to international organizations. In that way, economic interdependence would lead to political integration and to peace (see web link 4.20).

Ernst Haas developed a so-called neofunctionalist theory of international integration that was inspired by the intensifying cooperation that began in the 1950s between the countries of Western Europe. Haas builds on Mitrany. But he rejects the notion that 'technical' matters can be separated from politics. Integration has to do with getting self-interested political elites to intensify their cooperation. Integration is a process whereby 'political actors are persuaded to shift their loyalties . . . toward a new center whose institutions possess or demand jurisdiction over the preexisting national states' (Haas 1958: 16). This 'functional' process of integration depends on the notion of 'spillover', when increased cooperation in one area leads to increased cooperation in other areas. Spillover would ensure that political elites marched inexorably towards the promotion of integration. Haas saw that happening in the initial years of West European cooperation in the 1950s and early 1960s.

From the mid-1960s, however, West European cooperation entered a long phase of stagnation and even backsliding. That was due primarily to President de Gaulle of France, who opposed the limitations on French sovereignty that resulted from interdependence. Functional and neofunctional theory did not allow for the possibility of setbacks in cooperation; integration theorists had to rethink their theories accordingly. Haas concluded that regional integration ought to be studied in a larger context: 'theory of regional integration ought to be subordinated to a general theory of interdependence' (Haas 1976: 179) (see Box 4.7).

It was indeed such a general theory of interdependence that was attempted in the next phase in liberal thinking. But we should also note that theories of integration have seen a revival since the 1990s due to a new momentum in West European cooperation (Wiener and Dietz 2004; Hix 2005; Telò 2007). A core issue in these recent studies concerns whether integration is best explained by a liberal, neofunctionalist approach, or by a realist approach emphasizing national interest. We return to that debate between liberals and realists in the section on Neorealist Critiques of Liberalism.

An ambitious attempt to set forth a general theory of what they called 'complex interdependence' was made in the late 1970s in a book by Robert Keohane and Joseph Nye, Jr, *Power and Interdependence* (1977, 2001). They argue that post-war 'complex interdependence' is qualitatively different from earlier and simpler kinds of interdependence. Previously, international relations were directed by state leaders dealing with other state leaders. The use of military force was always an option in the case of conflict between those national leaders. The 'high politics' of security and survival had priority over the 'low politics' of economics and social affairs (Keohane and Nye, Jr 1977: 23). Under conditions of complex interdependence, however, that is no longer the case, and for two reasons. First, relations between states nowadays are not only or even primarily relations between state leaders; there are relations on many different levels via many different actors and branches of government. Second, there is a host of transnational relations between individuals and groups outside of the state. Furthermore, military force is a less useful instrument of policy under conditions of complex interdependence (see web links 4.24 and 4.25).



Consequently, international relations are becoming more like domestic politics: 'Different issues generate different coalitions, both within governments and across them, and involve different degrees of conflict. Politics does not stop at the water's edge' (Keohane and Nye, Jr 1977: 25). In most of these conflicts military force is irrelevant. Therefore, power resources other than military ones are of increasing importance, for example, negotiating skills. Finally, under complex interdependence states become more preoccupied with the 'low politics' of welfare and less concerned with the 'high politics' of national security (Nye, Jr 1993: 169; Keohane and Nye, Jr 1977: 24–6).

We typify the receding old realist world and the advancing new world of complex interdependence in Box 4.8.

Complex interdependence clearly implies a far more friendly and cooperative relationship between states. According to Keohane and Nye, Jr, (1977: 29–38) several consequences

BOX 4.8 Types of international relations	
<p><b>REALISM</b></p> <ul style="list-style-type: none"> <li>• States dominant actors and coherent units</li> <li>• Force usable and effective</li> <li>• Military security dominates the agenda</li> </ul>	<p><b>COMPLEX INTERDEPENDENCE</b></p> <ul style="list-style-type: none"> <li>• Transnational actors increasingly important States not coherent units</li> <li>• Military force less useful. Economic and institutional instruments more useful</li> <li>• Military security less important. Welfare issues increasingly important</li> </ul>
Based on Keohane and Nye, Jr (1977)	

follow. First, states will pursue different goals simultaneously and transnational actors, such as NGOs and transnational corporations, will pursue their own separate goals free from state control. Second, power resources will most often be specific to issue areas. For example, in spite of their comparatively small size, Denmark and Norway will command influence in international shipping because of their large merchant and tanker fleets, but that influence does not easily translate to other issue areas. Third, the importance of international organizations will increase. They are arenas for political actions by weak states, they animate coalition formation, and they oversee the setting of international agendas.

Where do we locate complex interdependence in time and space? On the time dimension, it appears to be connected with social modernization or what Keohane and Nye, Jr, (1977: 227) call 'the long-term development of the welfare state', which picked up speed after 1950. In space, complex interdependence is most evident in Western Europe, North America, Japan, Australia, and New Zealand: in short, the industrialized, pluralist countries (Keohane and Nye, Jr, 1977: 27). The relevance of complex interdependence grows as modernization unfolds, and it is thus especially applicable to the relations between advanced Western countries. Keohane and Nye are nevertheless at pains to emphasize that realism is not irrelevant or obsolete:

**It is not impossible to imagine dramatic conflict or revolutionary change in which the use of threat of military force over an economic issue or among advanced industrial countries might become plausible. Then realist assumptions would again be a reliable guide to events.**

(Keohane and Nye, Jr 1977: 28)

In other words, even among industrialized countries of the West an issue could still become 'a matter of life and death' (Keohane and Nye, Jr 1977: 29), because even that world is still in some basic respects a world of states. In that eventuality, realism would be the more relevant approach to events.

Realists claim that any issue can become a matter of life and death in an anarchic world. Interdependence liberals will reply that that is too simplistic and that a large number of

issues on the international agenda are important bread-and-butter items in line with the complex interdependence assumptions. Therefore, interdependence liberals suggest a compromise:

The appropriate response to the changes occurring in world politics today is not to discredit the traditional wisdom of realism and its concern for the military balance of power, but to realize its limitations and to supplement it with insights from the liberal approach.

(Nye, Jr 1990: 177)

Interdependence liberals are thus more balanced in their approach than some other liberals for whom everything has changed for the better and the old world of violent conflict, unbridled state power, and the dictatorship of the national interest is gone forever. However, in adopting this middle-of-the-road position interdependence liberals face the problem of deciding exactly how much has changed, how much remains the same, and what the precise implications are for IR. We return to this debate later in the chapter.

Meanwhile, interdependence liberalism can be summarized as follows. Modernization increases the level and scope of interdependence between states. Under complex interdependence, transnational actors are increasingly important, military force is a less useful instrument, and welfare—not security—is becoming the primary goal and concern of states. That means a world of more cooperative international relations.

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## Institutional Liberalism

This strand of liberalism picks up on earlier liberal thought about the beneficial effects of international institutions. In Chapter 2, we noted Woodrow Wilson's vision about transforming international relations from a 'jungle' of chaotic power politics to a 'zoo' of regulated and peaceful intercourse. This transformation was to be achieved through the building of international organizations, most importantly the League of Nations (see web link 4.27). Present-day institutional liberals are less optimistic than their more idealist predecessors. They do agree that international institutions can make cooperation easier and far more likely, but they do not claim that such institutions can by themselves guarantee a qualitative transformation of international relations, from a 'jungle' to a 'zoo'. Powerful states will not easily be completely constrained. However, institutional liberals do not agree with the realist view that international institutions are mere 'scraps of paper', that they are at the complete mercy of powerful states. International institutions are more than mere handmaidens of strong states. They are of independent importance, and they can promote cooperation between states (Keohane 1989a; Acharya and Johnston 2007).

What is an international institution? According to institutional liberals, it is an international organization, such as NATO or the European Union; or it is a set of rules which governs state action in particular areas, such as aviation or shipping. These sets of rules are also called 'regimes'. Often the two go together; the trade regime, for example, is shaped primarily

by the World Trade Organization (WTO). There may also be regimes without formal organizations; for example, the Law of the Sea conferences held under the auspices of the United Nations do not have a formal international organization. Institutions can be universal, with global membership, such as the UN, or they can be regional (or sub-regional), such as for example the EU. Finally, we should note that there is an additional type of international institution which is of a more fundamental kind, such as state sovereignty or the balance of power. These fundamental institutions are not what institutional liberals focus on; but they are main objects of study for International Society theorists, as we shall see in Chapter 5.

Institutional liberals claim that international institutions help promote cooperation between states. In order to evaluate that claim, institutional liberals adopt a behaviouristic, scientific approach. An empirical measure of the extent of institutionalization among states is devised. The extent to which these international institutions have helped advance cooperation is then assessed. The extent of institutionalization can be measured on two dimensions: scope and depth. 'Scope' concerns the number of issue areas in which there are institutions. Are they only in a few crucial economic areas, such as trade and investment, or are they in many other economic areas, as well as in military and socio-political areas? For assessing the 'depth' of institutionalization, three measures have been suggested:

- **Commonality:** the degree to which expectations about appropriate behaviour and understanding about how to interpret action are shared by participants in the system.
- **Specificity:** the degree to which these expectations are clearly specified in the form of rules.
- **Autonomy:** the extent to which the institution can alter its own rules rather than depending on outside agents (i.e., states) to do so.

(From Keohane 1989a: 4)

It is clear that a thorough analysis of the scope and depth of institutionalization among a group of states is a substantial research task. A complete absence of institutionalization is highly unlikely; there will always be some rules of coordination. The difficulty is to determine the exact level of institutionalization. One way of doing that is to look at a group of states where we immediately believe that the scope and depth of institutionalization are high and then evaluate the ways in which institutions matter. One such group of states is Europe, especially the European Union countries (see web link 4.30). EU countries cooperate so intensively that they share some functions of government, for example in agricultural and industrial policies; they have established the regulatory framework for a single market in the economic sector, and they are in the process of intensifying their cooperation in other areas. EU Europe, in other words, is a good test case for examining the importance of institutions. Institutional liberals do claim that institutions have made a significant difference in Western Europe since the end of the Cold War (Keohane et al. 1993). Institutions acted as 'buffers' which helped absorb the 'shocks' sent through Western Europe by the end of the Cold War and the reunification of Germany (see web link 4.29).

The institutional liberal view can be set against that of neorealist analysis. Neorealists argue that the end of the Cold War is most likely to bring the return of instability to Western Europe

which could lead to a major war. It threatens to be a repetition of the first half of the twentieth century. Peace in Europe during the Cold War rested on two pillars that made up the balance of power between the United States and the Soviet Union. They were, first, bipolarity with its stable distribution of military power and, second, large arsenals of nuclear weapons almost entirely monopolized by those superpowers. With the revival of multipolarity, however, instability and insecurity is sharply increased. At the root of all this is the anarchic structure of the international system. According to neorealist John Mearsheimer, '[a]narchy has two principal consequences. First, there is little room for trust among states . . . Second, each state must guarantee its own survival since no other actor will provide its security' (Mearsheimer 1993: 148).

The argument made by institutional liberals (Keohane et al. 1993) is that a high level of institutionalization significantly reduces the destabilizing effects of multipolar anarchy identified by Mearsheimer. Institutions make up for lack of trust between states. They do that by providing a flow of information between their member states, which consequently are much less in the dark about what other states are doing and why. Institutions thus help reduce member states' fear of each other. In addition, they provide a forum for negotiation between states. For example, the European Union has a number of fora with extensive experience in negotiation and compromise, including the Council of Ministers, the European Commission, and the European Parliament. Institutions provide continuity and a sense of stability. They foster cooperation between states for their mutual advantage. For example, European states can use the EU machinery to try to ensure that other parties will respect commitments already made. Institutions help 'create a climate in which expectations of stable peace develop' (Nye, Jr 1993: 39). The constructive role of institutions as argued by institutional liberals is summarized in Box 4.9.

Current research on international institutions focuses on the challenges that these institutions face in an increasingly globalized world. On the one hand, there is a growing need for the regulation and management that they provide; on the other hand, they are lacking in both power and legitimacy necessary for taking on heavy responsibilities (see Box 4.10).

In this context, focus is also on the factors that account for the demand for institutional cooperation and integration. One major position in this debate emphasizes the crucial role of state interests; that position is labelled 'liberal intergovernmentalism' (Moravcsik 1999b). Another major position is neofunctional theory which focuses on international cooperation driven by functional challenges, that is, some tasks are better attended to by international cooperation than by states alone and that works in favour of more cooperation. A recent version of neofunctionalism attempts to create a revised analytical framework that makes

**BOX 4.9****Institutional liberalism: The role of institutions**

- Provide a flow of information and opportunities to negotiate;
- Enhance the ability of governments to monitor others' compliance and to implement their own commitments – hence their ability to make credible commitments in the first place;
- Strengthen prevailing expectations about the solidity of international agreements.

Based on Keohane (1989a: 2)

**BOX 4.10 Transnational conflicts and international institutions**

International institutions are overtaxed in a double sense: their basis of legitimacy is too small for the responsibilities they are supposed to carry out; but, in view of the magnitude of global problems, what they do is not enough. Many of the post-war international institutions have been supplemented with, or replaced by, new institutions that intervene more deeply into the affairs of national societies. These institutions increasingly exercise independent political authority and violate the principle of non-intervention, which, in turn, leads to serious problems of legitimacy and public acceptance. At the same time, international institutions are too weak, for example, to regulate international financial markets or to effectively combat climate change and its impacts. As a result growing societal and national resistance to these institutions has begun to emerge in conjunction with transnational disputes over international affairs.

Zürn (2011)

room for both 'intergovernmental' and 'functional' elements (Niemann 2006). At the same time, there is now more focus on issues connected with leadership (Beach 2010; Paterson et al. 2010) and with democracy and legitimacy (Eriksen 2009).

Institutional liberalism can be summarized as follows. International institutions help promote cooperation between states and thereby help alleviate the lack of trust between states and states' fear of each other which are considered to be the traditional problems associated with international anarchy. The positive role of international institutions for advancing cooperation between states continues to be questioned by realists. We return to that debate below.

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## Republican Liberalism

Republican liberalism is built on the claim that liberal democracies are more peaceful and law-abiding than are other political systems. The argument is not that democracies never go to war; democracies have gone to war as often as have non-democracies. But the argument is that democracies do not fight each other. This observation was first articulated by Immanuel Kant (1992 [1795]) in the late eighteenth century in reference to republican states rather than democracies. It was resurrected by Dean Babst in 1964 and it has been advanced in numerous studies since then. One liberal scholar even claims that the assertion that democracies do not fight each other is 'one of the strongest nontrivial or non-tautological statements that can be made about international relations' (Russett 1989: 245). This finding, then, is the basis of the present optimism among many liberal scholars and policymakers concerning the prospects of long-term world peace (see web link 4.35). Their reasoning goes as follows. Because the number of democracies in the world has increased rapidly in recent years (see Box 4.11) we can look forward to a more peaceful world with international relations characterized by cooperation instead of conflict (parts of this section draw on Sørensen 1993).

**BOX 4.11 Democracy's progress**

The Freedom House Index Classification of Free Countries (with greater than one million inhabitants), 2012 (data from 2011)

*(1=Highest Rating)*

Andorra	Germany	Portugal
Australia	Hungary	Saint Kitts and Nevis
Austria	Iceland	Saint Lucia
Bahamas	Ireland	Saint Vincent and the Grenadines
Barbados	Kiribati	San Marino
Belgium	Liechtenstein	Slovakia
Canada	Lithuania	Slovenia
Cape Verde	Luxembourg	Spain
Chile	Malta	Sweden
Costa Rica	Marshall Islands	Switzerland
Cyprus	Micronesia	Tuvalu
Czech Republic	Nauru	United Kingdom
Denmark	Netherlands	United States
Dominica	New Zealand	Uruguay
Estonia	Norway	
Finland	Palau	
France	Poland	
<b>average rating: 1.5</b>		
Belize	Israel	Panama
Croatia	Italy	South Korea
Ghana	Japan	Taiwan
Greece	Mauritius	
Grenada	Monaco	
<b>average rating: 2.0</b>		
Argentina	Mongolia	South Africa
Benin	Namibia	Suriname
Brazil	Romania	Trinidad and Tobago
Bulgaria	Samoa	Vanuatu
Dominican Republic	Sao Tome and Principe	
Latvia	Serbia	



**average rating: 2.5**

Antigua and Barbuda	India	Montenegro
Botswana	Indonesia	Peru
El Salvador	Jamaica	
Guyana	Mali	

Based on data from [www.freedomhouse.org](http://www.freedomhouse.org). The index employs one dimension for political rights and one dimension for civil liberties. For each dimension, a seven-point scale is used, so that the highest-ranking countries (that is, those with the highest degree of democracy) are one-ones (1–1s) and the lowest ranking countries are seven-sevens (7–7s). Countries with an average rating between 1 and 2.5 are considered free.

Why are democracies at peace with one another? The answer to that question has been most systematically addressed by Michael Doyle (1983, 1986) (see web links 4.36 and 4.37). Doyle based his argument on the classical liberal treatment of the subject by Immanuel Kant. There are three elements behind the claim that democracy leads to peace with other democracies. The first is the existence of domestic political cultures based on peaceful conflict resolution. Democracy encourages peaceful international relations because democratic governments are controlled by their citizens, who will not advocate or support wars with other democracies.

The second element is that democracies hold common moral values which lead to the formation of what Kant called a ‘pacific union’. The union is not a formal peace treaty; rather, it is a zone of peace based on the common moral foundations of all democracies. Peaceful ways of solving domestic conflict are seen as morally superior to violent behaviour, and this attitude is transferred to international relations between democracies. Freedom of expression and free communication promote mutual understanding internationally, and help to assure that political representatives act in accordance with citizens’ views.

Finally, peace between democracies is strengthened through economic cooperation and interdependence. In the pacific union it is possible to encourage what Kant called ‘the spirit of commerce’: mutual and reciprocal gain for those involved in international economic cooperation and exchange.

Of the different strands of liberalism considered in this chapter, republican liberalism is the one with the strongest normative element. For most republican liberals there is not only confidence but also hope that world politics is already developing and will develop far beyond rivalry, conflict, and war between independent states. Republican liberals are optimistic that peace and cooperation will eventually prevail in international relations, based on progress towards a more democratic world. Not only that (and here the normative element shows itself clearly), they see it as their responsibility to promote democracy worldwide, for in so doing they are promoting peace, which is one of the most fundamental of all political values.

The end of the Cold War helped launch a new wave of democratization; that led to growing liberal optimism as regards the future of democracy. Yet most liberals are well aware of the fragility of democratic progress. When republican liberals examine the conditions for a democratic peace in the light of recent democratic transformations in Eastern Europe, Latin America, and Africa, the evidence is not supportive of any profound optimism. With regard to the first condition (see Box 4.12), it is evident that a democratic culture with norms of peaceful conflict resolution has not yet taken root in the new democracies. Democratic norms must be ingrained before the domestic basis of the democratic peace will be secure, and such development of the political culture usually takes a long time. There will be setbacks; some countries will revert to non-democratic forms of rule. For example, Russia took a step backwards in 2004 and is now classified by Freedom House as a 'Not Free' country (see web links 4.43 and 4.46).

As regards the second condition, peaceful relations have indeed developed between the consolidated democracies of the West. There is reason to hope that the new democracies of Eastern Europe will come to be included in this zone—provided that there are no severe setbacks in their further democratization. The democracies of the South are more problematic in that regard. The foundations between North and South are not strong. During the Cold War the United States was hostile and even aggressive towards some southern democracies, e.g., the Dominican Republic in the early 1960s or Chile in the early 1970s. That reflected American determination to defend its perceived economic and security interests in its competition with the Soviet Union (for further analysis, see Sørensen 1993: 101–12). It remains to be seen whether the end of the Cold War will also put an end to such divisions and mistrust between old and new democracies.

Turning to the final condition, economic cooperation and interdependence is highly developed among the consolidated democracies of the West. At least some of the new democracies of Eastern Europe are integrated into these economic networks through membership of the European Union, e.g., Poland, Hungary, and the Czech Republic. Yet the complex

**BOX 4.12****Republican liberalism: Three conditions of peace among liberal democracies**

1.  
Democratic norms of  
peaceful resolution of conflict

2.  
Peaceful relations between democratic states,  
based on a common moral foundation

3.  
Economic cooperation between democracies:  
ties of interdependence

negotiations about EU enlargement demonstrate the considerable difficulties involved in close economic cooperation between countries at highly different levels of development. For the democracies of the South, continued one-sided economic dependence on the North rather than interdependence is the order of the day, even after the end of the Cold War. That relation of basic inequality augurs less well for the development of peaceful relations even if both parties have democratic governments.

In short, the emergence of a global pacific union embracing all the new and old democracies is not guaranteed. Indeed, most of the new democracies fail to meet at least two of the three conditions for a democratic peace identified above. And instead of exhibiting further progress, they may backslide towards authoritarian rule. Most republican liberals are therefore less optimistic than was Francis Fukuyama when he predicted 'the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government' (1989: 4) (see web link 4.47). Most liberals argue that there is a democratic 'zone of peace' among the consolidated liberal democracies, including Western Europe, North America, and Japan. But the expansion of that zone is far from assured (Russett 1993: 138).

Most republican liberals thus emphasize that democratic peace is a dynamic process rather than a fixed condition. A pacific union does not spring into existence between countries as soon as they meet a minimum definition of democracy. Peace is built on all three foundation stones (Box 4.12) only over a long period of time. There can be setbacks. There can even be reversions to non-democratic rule. There is a weakness even in this qualified republican liberal argument, however. Republican liberals need to specify the exact ways in which democracy leads to peace, and they need to sort out in more precise terms when there is a democratic peace between a group of democracies and why. In that context a more thorough evaluation of the current processes of democratization is necessary. There are already a number of contributions that address these issues (Hegre 2004; Souva and Prins 2006; Harrison 2010; Hook 2010).

At the same time, there is a dark side to the relationship between democracy and peace. It concerns the fact that established liberal democracies have gone to war rather frequently over the last decade; the wars in Iraq and Afghanistan are prominent examples of this. This kind of 'democratic war' does not disprove the democratic peace theory discussed here, but it is a powerful reminder of the readiness of established democracies to go to war against non-democracies for a number of different reasons, be it security concerns, economic interests, or humanitarian principles. Critics of republican liberalism emphasize this point in order to make clear that the connection between liberal democracy and peace is not as clear-cut as some liberal theorists will have us believe (Hobson et al. 2011: 147–85).

Republican liberalism can be summarized as follows. Democracies do not go to war against each other owing to their domestic culture of peaceful conflict resolution, their common moral values, and their mutually beneficial ties of economic cooperation and interdependence. These are the foundation stones upon which their peaceful relations are based. For these reasons an entire world of consolidated liberal democracies could be expected to be a peaceful world.

We have already introduced a number of specific points where realists are sceptical of liberalism. Realists are sceptical about this version of liberalism too. Behind their disbelief is a larger debate which sets liberalism against realism in IR. The core question in that debate is: can a liberal world escape the perils of anarchy? Will a more liberal world, with more democracies, with a higher level of interdependence, and with more international institutions, mean that anarchy is eclipsed? Will it mean that war is permanently ended? The next two sections take up the most important debates between liberals and neorealists.

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## Neorealist Critiques of Liberalism

Liberalism's main contender is neorealism. We saw in Chapter 2 that the first major debate in IR was between idealist liberalism and pessimist realism. The debate between liberalism and realism continues to this day. We shall see that this debate has created divisions in the liberal camp. There is now a group of 'weak liberals' who have moved closer to the realist camp; and there is a group of 'strong liberals' who continue to support a more distinctively liberal view of world politics.

A main point of contention in previous debates between liberals and realists, around the time of the Second World War, concerned 'human nature'. We have seen that liberals generally take a positive view of human nature whereas realists tend to hold a negative view: they see human beings as capable of evil. That issue was at the core of Hans Morgenthau's realist critique of liberals. The substance of that critique can be expressed as follows: 'You have misunderstood politics because you have misestimated human nature' (Waltz 1959: 40).

These diverging views of human nature continue to separate realists from liberals. But 'human nature' is no longer a major point of debate for two reasons. First, it was increasingly realized among neorealists as well as liberals that human nature is highly complex. It is behind 'good' things as well as 'bad' things: peace and war, philanthropy and robbery, Sunday schools and brothels. Our attention must therefore shift to the social and political context to help us explain when humans (having the potential for being good as well as bad) will behave in either one way or another way (Waltz 1959: 16–41). Second, there was the influence from the behavioural movement in political science. That influence led scholars away from the study of human actions and their 'internal' moral qualities and capabilities towards the analysis of observable facts and measurable data in the 'external' world, i.e., overt evidence of patterns of human behaviour. How should scholars conceive of the external world? How should we view history?

We noted earlier that classical realists have a non-progressive view of history. States remain states in spite of historical change. They continue to reside in an unchanging anarchical system. Anarchy leads to self-help: states have to look after themselves; nobody will do it for them. To be secure they arm themselves against potential enemies; one state's security is another state's insecurity. The result can be an arms race and, eventually, war. That was the case 2,000 years ago. According to neorealists it is still the case today, because the

basic structure of the state system remains the same. History is ‘the same damn things over and over again’ (Layne 1994: 10).

For liberals, however, history is at least potentially progressive. We identified the main conditions of liberal progress earlier and summarized them in the four major strands of liberal thought. Neorealists are not impressed. They note that such ‘liberal’ conditions have existed for a long time without being able to prevent violent conflict between states. For example, economic interdependence is nothing new. As a percentage of world gross national product (GNP), world exports in 1970 were below the 1880–1910 level (Box 4.13). Put differently, the rapid increase in world trade between 1950 and 1975 which liberals view as the great era of interdependence was nothing more than a recovery from abnormally low levels of interdependence caused by two world wars and the Great Depression in the first half of the twentieth century.

Financial flows reveal a similar story. Measured as a percentage of GNP, total foreign investment from Western developed countries was much higher over the entire period from 1814 to 1938 than during the 1960s and 1970s. International banking has been important for more than two centuries (Thompson and Krasner 1989). In sum, economic interdependence is nothing new, and in the past it has done little to prevent wars between states, such as the Second World War.

<b>BOX 4.13 Trade as percentages of world GNP, various years</b>	
<b>YEAR</b>	<b>WORLD EXPORTS/WORLD GNP</b>
1830	4.6
1840	5.7
1850	6.8
1860	9.3
1870	9.8
1880	11.4
1890	11.1
1900	10.4
1910	10.4
1913	11.4
1950	8.1
1960	9.2
1970	10.0
1980	16.9
2002	23.8
2010	27.9

Based on tables in Thompson and Krasner (1989: 199, 201) and [www.OECD.org](http://www.OECD.org)

Neorealists are also critical of the role that liberals attach to international institutions. While states cooperate through institutions, they still do it solely on the basis of their own decision and self-interest. The strong prevail in international relations. Institutions are no more than theatre stages where the power play unfolds. But the play has been written by the playwright: the states. Institutions are not important in their own right (Mearsheimer 1995b: 340). Finally, as we indicated, neorealists are critical of republican liberalism (Gowa 1999). They emphasize that there is always the possibility that a liberal or democratic state will revert to authoritarianism or another form of non-democracy. Furthermore, today's friend might very well turn out to be tomorrow's enemy, whether or not they are a democracy.

There is thus a common thread running through the realist critique of the various strands of liberalism: the persistence and permanence of anarchy and the insecurity that that involves. According to neorealists, anarchy cannot be eclipsed. Anarchy means that even liberal states must contemplate the possibility that their liberal friends will perhaps someday turn against them. 'Lamentably, it is not possible for even liberal democracies to transcend anarchy' (Mearsheimer 1993: 123). No amount of sociological, interdependence, institutional or republican liberalism can do the trick. And, as long as anarchy prevails, there is no escape from self-help and the security dilemma. Liberal optimism is not warranted.

### The Retreat to Weak Liberalism

Liberals have reacted to these neorealist objections in basically two different ways. One group is somewhat defensive, accepting several realist claims including the essential point about the persistence of anarchy. We shall call this group '**weak liberals**'. Another group, whom we shall call the '**strong liberals**', will not budge; they claim that the world is changing in some fundamental ways which are in line with liberal expectations. Note that the labels 'weak' and 'strong' say nothing about the solidity of the arguments made. They are purely descriptive labels, indicating different degrees of disagreement with realism.

The work of Robert Keohane, one of the leading scholars in the debate between liberals and neorealists, illustrates how a liberal adjusted to realist critiques. As indicated, his early work with Joseph Nye, Jr (Keohane and Nye, Jr, 1971) is characteristic of sociological liberalism. In that work they draw an important distinction between a 'state-centric' paradigm and a 'world politics' paradigm; the former's focus is on 'interstate interactions' whereas the latter's focus is on 'transnational interactions' in which non-governmental actors play a significant role (1971: xii, 380). The implication is that world politics is changing dramatically from a state system to a transnational political system. That argument is an example of strong liberalism.

This sociological liberal view was popular in the early 1960s; realists were on the defensive. But sociological liberalism appeared to be a prisoner of history and the circumstances of the time. It turned out that the flutter of transnational relations upon which sociological liberals built their argument could only develop smoothly within a framework created by dominant American power (Little 1996: 78). That was true for a period following the Second World War. Then came a period when American power appeared to wane; the country was

tied up in a difficult and unpopular war in Vietnam. On the economic front there was also trouble; President Nixon terminated the dollar's convertibility into gold in 1971. The United States' political and economic distress sent shock waves through the entire international system. That put realism back on the offensive; if sociological liberalism only worked within a realist framework of power, progress had hardly gone very far.

Keohane turned his attention away from transnational relations and back towards states. The result was the theory of complex interdependence described earlier. That analysis was a movement in the direction of realism: the primary importance of states was acknowledged. But it was unclear to what extent realism should be supplemented with liberal insights. Keohane increasingly focused his analysis on international institutions. That brought him one step closer to neorealism. The analytical starting point is now clearly realist. States are the major actors, the international system is anarchical, and the power of states is highly significant. The strong can prevail over the weak. Still, as we saw above, a liberal core remained, namely the idea that international institutions can facilitate cooperation.

Even though this brand of liberalism is fairly close to a neorealist position, most such realists remained dissatisfied with the revised and very much weakened liberal thesis. They claim that Keohane as well as several other liberal institutionalists overlook one crucial item, that of relative gains. 'Gains' are benefits that accrue to participants that cooperate (Box 4.14). Institutional liberals claim that institutions facilitate cooperation and thus make it less likely that states will cheat on each other. That is because international institutions are transparent. They provide information to all member states and they thus foster an environment in which it is easier for states to make reliable commitments. Neorealists reply that cheating is not the main problem in negotiation between states. The main problem is relative gains. States must worry that other states gain more from cooperation than they do

#### BOX 4.14 Absolute and relative gains

**Absolute gains** As long as we do well it doesn't matter if others do even better.

*Example:* The United States economy grows by 25% over the next decade; China grows by 75%.

**Relative gains** We will do our best, but number one priority is that the others don't get ahead of us.

*Example:* The United States economy grows by 10% over the next decade; China grows by 10.3%.

The American that chooses the latter scenario over the first is concerned with relative gains.

themselves. Neorealists claim that institutional liberals take no account of that problem; they 'ignore the matter of relative gains . . . in doing so, they fail to identify a major source of state inhibitions about international cooperation' (Grieco 1993: 118) (see web link 4.48).

This neorealist critique led Keohane to emphasize a qualification which further moderated his liberal position. That qualification concerned the conditions for cooperation between states. The single most important condition is the existence of common interests between states (Keohane 1993: 277). If states have interests in common they will not worry about relative gains. In that situation institutions can help advance cooperation. In the absence of common interests states will be competitive, apprehensive, and even fearful. In those circumstances institutions will not be of much help.

This way of responding to the neorealist critique does make the liberal position less vulnerable to realist attacks, and it does help us to understand why there can be cooperation under anarchy. But it leads liberalism closer and closer to neorealism: less and less remains of a distinctive and genuine liberal theory. In other words, liberal institutionalism is open to the criticism that it is merely neorealism 'by another name' (Mearsheimer 1995a: 85). Keohane has recognized the close familiarity between institutional theory and neorealism (Keohane 2002). However, the end of the Cold War and the rapid growth of globalization gave a strong boost to a more pronounced liberal posture.

### The Counter-attack of Strong Liberalism

The neorealist attack on liberal theory looks strong. Their spare and parsimonious theory builds on two basic assumptions: history is 'the same damn things over and over again'; there is anarchy leading to insecurity and the risk of war. A terse and bold starting point makes for strong statements. But parsimony can also be a weakness, because so many things are not taken into consideration. Can we really seriously believe that nothing has changed in international relations over the past several hundred years? Neorealism, as one experienced observer noticed, 'manages to leave most of the substance of the field [of IR] outside the straitjacket' (Hoffmann 1990). In order to argue for such a bald thesis, you have to close your eyes to a lot of things.

That is where '**strong liberals**' begin their counter-attack on neorealism. They maintain that qualitative change has taken place. Today's economic interdependence ties countries much closer together; economies are globalized (see Boxes 4.13 and 4.15); production and consumption take place in a worldwide marketplace. It would be extremely costly in welfare terms for countries to opt out of that system (Holm and Sørensen 1995; Cerny 2010). Today there is also a group of consolidated liberal democracies for whom reversion to authoritarianism is next to unthinkable, because all major groups in society support democracy. These countries conduct their mutual international relations in new and more cooperative ways. For them there is no going back; historical change is irreversible. 'Strong liberals' include Rosenau (2003); Slaughter (2004); Ikenberry (2009) and Cerny (2010).

Neorealists do not insist that there has been no change at all; but they do maintain that such change has not led to the disappearance of anarchy. The self-help system of states



**BOX 4.15 Globalization in practice**

First, information is now universally available, in real time, simultaneously, in every financial center of the world. Second, technology has tied all the principal countries and world financial and banking centers together into one integrated network. Few countries or parts of the world can any longer remain insulated from financial shocks and changes, wherever they may occur. Third, technology has made possible the establishment of a new, comprehensive system and highly efficient world market to match lenders and borrowers, to pool resources and share risks on an international scale without regard to boundaries.

Blumenthal (1988)

remains in place. In that fundamental respect the realist analysis continues to apply. From this fact, neorealists draw the conclusion that there is a huge difference between domestic and international politics. In domestic affairs there is ‘authority, administration and law’, while international politics ‘is the realm of power, struggle, and of accommodation’ (Waltz 1979: 113). Strong liberals, however, dispute that crucial premise: the assertion that anarchy—as understood by realists—remains in place. Strong liberals do not argue that anarchy has been replaced by hierarchy; that a world government has been created or is in the making. Rather, they argue that anarchy is a far more complex international relationship than is recognized by neorealists, and they question the conclusions that neorealists draw from the existence of anarchy.

What does it mean that there is anarchy in the international system? It means that there is no single, overarching government. It does not mean that there is no government at all. It follows that the distinction between domestic and international politics is not as clear as neorealists claim. The fact is that some states lack an effective and legitimate system of government, e.g., Cameroon, Chad, Zimbabwe, Somalia. The fact also is that some groups of states are acquiring a governmental system, e.g., the EU. Politics is not ‘stopping at the water’s edge’. Anarchy does not necessarily mean complete absence of legitimate and effective authority in international politics.

Strong liberals take their cue from that reality. International politics need not be a ‘raw anarchy’ with fear and insecurity all around. There can be significant elements of legitimate and effective international authority. And strong liberals see examples in the international relations of firmly consolidated, liberal democracies, because here we have combined the key elements of sociological liberalism, interdependence liberalism, institutional liberalism, and republican liberalism. One way of characterizing these relations is by Karl Deutsch’s term, ‘security communities’. The consolidated liberal democracies of Western Europe, North America, and Japan constitute a security community (Singer and Wildavsky 1993; Adler and Barnett 1998). It is extremely unlikely—indeed, it is unthinkable—that there will be violent conflict between any of these countries in the future.

Strong liberals thus underline the need for a more nuanced view of peace and war. Peace is not merely the absence of war, as most realists believe. There are different kinds or degrees of peace. The ‘warm peace’ between the countries of the security community of liberal

democracies is far more secure than the 'cold peace' between, say, the United States and the Soviet Union during the height of the Cold War (Boulding 1979; Adler and Barnett 1996). A more nuanced view of war is also required. War has changed dramatically in the course of history. War has grown more and more destructive, spurred by technological and industrial development, culminating in the two world wars of the twentieth century. In addition, there is now the risk of unlimited destruction through nuclear war. Strong liberals argue that these developments increase the incentives for states to cooperate (Mueller 1990, 1995); neorealists do not deny that nuclear weapons help decrease the risk of war (Waltz 1993). But strong liberals go one step further. They argue that large-scale war has moved 'toward terminal disrepute because of its perceived repulsiveness and futility' (Mueller 1990: 5; Mueller 2009) (Box 4.16).

Strong liberals, then, argue that in important parts of the world anarchy does not produce the insecurity that realists claim. Peace is fairly secure in many important places. There are two main types of peace in the world today. The first type is among the heavily armed powers, especially the nuclear powers, where total war threatens self-destruction. It rests primarily (but not solely) on the balance created by military power. It is the least secure peace. The second main type of peace is among the consolidated democracies of the OECD. This is a far more secure, 'liberal' peace, predicated upon liberal democratic values, a high level of economic interdependence, and a dense network of institutions facilitating cooperation (Lipson 2003; Mandelbaum 2004).

For these reasons strong liberals remain optimistic about the future. They argue that genuine progress is possible, and that it is taking place in important parts of the world. There is no world government, of course, but in several areas the world has moved far beyond the neorealist condition of raw anarchy, with all its negative consequences for international relations. Liberals thus appear better equipped than most realists when it comes to the study of change as progress. Whereas many realists always see more of the same in international relations, namely anarchy and power politics, most liberals have a notion of modernization and progress built into their theoretical foundation which makes them more receptive to the study of social, economic, institutional, and political change (Box 4.17). The end of the Cold War has boosted the liberal position; the world seems to be moving in a more liberal direction. At the same time, liberals are less well prepared for lack of progress or retrogress.

#### **BOX 4.16**    **The obsolescence of major war**

Dueling and slavery no longer exist as effective institutions and have faded from human experience except as something one reads about in books . . . There are signs that, at least in the developed world . . . [war] . . . has begun to succumb to obsolescence. Like dueling and slavery, war does not appear to be one of life's necessities—it is not an unpleasant fact of existence that is somehow required by human nature or by the grand scheme of things. One can live without it, quite well in fact. War may be a social affliction, but in important respects it is also a social affliction that can be shrugged off.

John Mueller (1990: 13)

For example, we saw how liberal theories of integration did not allow for setbacks in the process of cooperation in Europe. In the developing world a number of very poor countries have experienced lack of development and even in some instances state collapse. Liberal theory has difficulty in handling such cases because it is fundamentally based on a conception of irreversible modernization (Sørensen 2011). It is the beneficial consequences of that process that are the core theme of liberal thinking. Consequently, when that process does not take place for some reason or when it backfires, liberal analysis falters.

Also, liberals are not as precise in their claims as are realists. How much has actually changed? How secure is a democratic peace? What is the exact link between the various liberal elements in international relations—such as democracy or transnational relations—and more peaceful and cooperative relations between governments? Liberals have problems with these questions. That is because liberals try to theorize historical change, which is by its very nature complex, fluid, open-ended, and thus uncertain in the course it will take.

Recent liberal thinking has gone to work on these problems. Andrew Moravcsik has set forth a reformulation of liberal theory that attempts to be ‘non-ideological and non-utopian’ (Moravcsik 1997: 513) (see web link 4.49). The fundamental actors in international politics are rational individuals and private groups. The policies of states represent what individuals and groups in society (and inside the state apparatus) want. In other words, government policy reflects the preferences of different combinations of groups and individuals in domestic society. In the international system, each state seeks to realize its preferences—to get what it wants—under the constraints imposed by the preferences of other states.



This reformulation of liberal theory avoids prior assumptions about the prevalence of cooperation over conflict or the unavoidability of progress. At the same time, it contains both a 'domestic' component (state preferences) and an international, 'systemic' component (state preferences constrained by other states). The core element in the theory is the set of preferences pursued by states. The preferences may be influenced by liberal factors. To the extent that they are, peace and cooperation may follow. To the extent that they are not, conflict may prevail. According to Moravcsik, there are three major variants of liberal theory: ideational, commercial, and republican. Republican liberalism, for example, 'stresses the impact on state behavior of varying forms of domestic representation and the resulting incentives for social groups to engage in rent seeking' (Moravcsik 1997).

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## Liberalism and World Order

Another recent attempt by strong liberals to update liberal thinking is the theory of 'structural liberalism' by Daniel Deudney and G. John Ikenberry (1999; see also Ikenberry 2009). They seek to characterize the major features of the Western order, that is, the relations between Western liberal democracies. Five elements of that order are singled out:

- security co-binding
- penetrated reciprocal hegemony
- semi-sovereign and partial great powers
- economic openness
- civic identity.

Security co-binding refers to the liberal practice of states locking one another into mutually constraining institutions, such as NATO. That organization has joint force planning, coordinated military command structures, and a network for making political and military decisions. Penetrated reciprocal hegemony is the special way in which the United States leads Western order. The US is an open and diverse political system that is also receptive to pressures from its partners. Transnational and trans-governmental political networks play an increasing role in this.

Semi-sovereign and partial great powers refer to the special status of Germany and Japan. They have imposed constraints on themselves as great powers; an important part of this is that they have foregone the acquisition of nuclear weapons. The features of these 'trading states' are an anomaly seen from neorealism, but from a liberal view they are an integrated part of Western political order. Economic openness is another major aspect of the Western liberal order. In a world of advanced industrial capitalism, the benefits from absolute gain derived from economic openness are so great that liberal states try to cooperate so as to avoid the incentive to pursue relative gains. Finally, civic identity expresses common Western support for the values of political and civil liberties, market economics, and ethnic toleration.

Deudney and Ikenberry (1999) argue that these features of the Western liberal order are so strong and entrenched that they will survive the collapse of the common external threat, the Soviet Union. In short, the liberal order rests on a liberal foundation, not on a particular balance of power or a certain external threat.

It is clear that recent events question the liberal optimism in Deudney and Ikenberry's (1999) analysis. The coming to power of George W. Bush in the United States and the US security strategy focused on a 'war on terrorism' has strained relations across the Atlantic (Ikenberry 2002). According to one (realist) commentator (Kagan 2003), Europeans and Americans live in different worlds in the sense that they have very different views of world order: 'Americans are from Mars and Europeans are from Venus', says Kagan, meaning that Europeans live in a 'Kantian world' of 'peace and relative prosperity', whereas the

[United States remains mired in history, exercising power in an anarchic Hobbesian world where international laws and rules are unreliable, and where true security and the defense and promotion of a liberal order still depend on the possession and use of military might.](#)

(Kagan 2003: 3)

But the question is whether Kagan overstates the differences between Europe and the United States. There is no prospect whatsoever that the transatlantic disagreements will lead to violent conflict: the security community based on liberal values, interdependence, and common institutions remains in place. So instead of a confrontation between the US and Europe, the disagreement is sooner about the best ways of confronting the terrorist threat. In the US, the neoconservative strategy of aggressively confronting states thought to have 'weapons of mass destruction' (WMD) has so far dominated; in Europe, there is stronger support for the view that 'the best response to transnational terrorist networks is networks of cooperating government agencies' (Nye, Jr 2003: 65). With the presidency of Barack Obama, Europe and the US are again working together more closely.

Nevertheless, these events illustrate that there are tensions in the liberal view of world order. What values should a liberal foreign policy seek to realize? The answer from Liberal International is clear: 'Freedom, responsibility, tolerance, social justice, and equality of opportunity' (Liberal International 1997). Of course liberals will seek freedom. But freedom is no uniform entity; Isaiah Berlin (1969) pursued a now classical distinction between negative and positive liberty. Negative liberty is an individual sphere of autonomy, of non-interference of state authorities of any kind. The core element in this kind of freedom is property rights: liberty is a right that flows from property in one's own person; property of person and possessions is a crucial condition for liberty and happiness. The critical task of political authority is to ensure these rights (see web link 4.53).

According to Berlin (1969), positive liberty, by contrast, is the liberty of 'being one's own master'. Positive freedom is only possible when certain conditions are met: one must have health, economic resources, education, and so on. To be really free, individuals must have more than that afforded by negative liberty, and the state should take care to provide such conditions for all.

Individuals are not states and domestic conditions are not like the conditions in the international system. Even so, we can trace the presence of negative and positive liberty in liberal internationalism (Sørensen 2006; 2011). Negative liberty emphasizes a Liberalism of Restraint, of holding back, of providing room for states to conduct their own affairs unobstructed by others. Non-intervention as a core element in the classical institution of sovereignty emphasizes negative liberty: let states choose on their own, but also let them take responsibility if they fail. International institution-building and international law is also part of a Liberalism of Restraint: it entails the fencing-in of raw power and the principle of negotiation to resolve discord.

Positive liberty, by contrast, points to a different kind of liberal internationalism. It forms the basis for a Liberalism of Imposition, of going out and radically changing the world in order to provide the universal basis for the 'good (i.e., liberal) life'. Woodrow Wilson's dictum of 'making the world safe for democracy' is Liberalism of Imposition; so is John Kennedy's willingness to 'pay any price, bear any burden . . . to assure the success of liberty' (inauguration speech). President Bush declared that the US and the UK 'seek the advance of freedom and the peace that freedom brings'. Charles Krauthammer has identified this Liberalism of Imposition as the motive behind the wars in Afghanistan and Iraq (Krauthammer 2004: 11). In sum, Liberalism of Restraint wants to live and let live, to quietly sort out differences via negotiation and collaboration, to persuade via the argument rather than via the sword. Liberalism of Imposition sees this as much too defensive and ineffective; it wants to go out and forcefully change the world in a liberal direction, using force when necessary. Both liberalisms have a home in liberal thinking. It is quite clear that in the face of the world's problems, a Liberalism of Restraint can be too little (i.e., not solving the problems), and a Liberalism of Imposition can be too much (i.e., undermining the liberal values it seeks to promote; cf. Sørensen 2011).

We do not have space in the present context to further pursue this liberal dilemma. Our point here is a simple one: with liberal values preponderant in the present world order, the contradictions of liberalism cannot fail to be further exposed and sharpened. When this happens, foreign policies of liberal states will increasingly be confronted with the question of how to master this core tension in liberalism. Those who favour restraint must point to ways to avoid this from leading to quiet acceptance of massive human suffering. Those who favour imposition must point to ways of ensuring the result will not be illiberal outcomes and illegitimate policies. In sum, this essential dilemma in liberalism is a central key to appreciating the challenges faced by a liberal foreign policy.

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## Liberalism: The Current Research Agenda

With the end of the Cold War some traditional issues on the liberal research agenda have been endowed with a new urgency. More than previously, it is now important to know precisely how democracy leads to peace, and to understand the exact extent to which new

democracies need to be consolidated in order to secure a democratic peace. The concept of the 'security community' proposed by Karl Deutsch (Deutsch et al. 1957) requires further development. This notion is helpful in emphasizing that peace is more than merely the absence of war. However, it is less precise than it ought to be as an effective research tool (Lindberg 2005; Harrison 2010; Hook 2010).

A similar urgency of need for more solid knowledge pertains to international institutions. Newer institutions, such as the Organization for Security and Cooperation in Europe (OSCE) and the World Trade Organization (WTO), have appeared on the world stage. Older institutions, such as the **North Atlantic Treaty Organization (NATO)**, are changing significantly. (Core questions regarding the emergence, change, and effects of institutions were set forth in the section on institutional liberalism in this chapter.)

Sociological and interdependence liberals have emphasized the importance of the development of transnational relations. It appears that this process is continuing with increasing intensity, at least among some countries (Scholte 2005). In Western Europe it has helped foster a policy of integration with qualitatively new elements: states are pooling their sovereignty in order to improve their collective capacity for regulation (Pollack 2005; Paterson et al. 2010).

Tensions in the liberal view of world order were discussed in the section on Liberalism and World Order. As already indicated, the atrocities of 11 September 2001 presented a challenge to liberal IR theory. Mass murder terrorism, such as the attacks on New York and Washington DC, is obviously a very ominous threat to the physical security of citizens of Western liberal democracies, especially the United States (see web links 4.59 and 4.60). It clearly is the case that easy movement of people across international boundaries around the world has a dark side. Some individuals may exploit that freedom to plot and carry out acts of mass murder against citizens of the country in which they are residing. That new security threat demands greater police and intelligence surveillance within countries. That could extend to infringing some of the civil liberties associated with liberal democracy—as in the case of the US PATRIOT Act passed in the aftermath of the attacks (Waldron 2003). It also demands greater security at international borders and other entry points to countries. That could extend to closer inspection of the international transport of goods. It could interfere with the open borders advocated by liberals. At the same time, however, the event could also strengthen international cooperation between countries that perceive a terrorist threat to the security of their citizens. This has happened in connection with the terrorist attacks on New York and Washington DC. The main point is: such events may oblige theorists to rethink their theories, and that includes liberals and liberalism.

Finally, liberal theory is challenged by the comprehensive financial crisis that plagues liberal states in the OECD world. The challenge is that 'free markets' do not merely bring benefits; they also involve large risks of speculation, unemployment, and stagnation. We return to this aspect of liberalism in Chapter 7.

In sum, all students of IR need to take note of the processes of change that are taking place, and to evaluate the possible consequences for international relations. That is an important lesson that liberal IR theory teaches us.



### KEY POINTS

- The theoretical point of departure for liberalism is the individual. Individuals plus various collectivities of individuals are the focus of analysis; first and foremost states, but also corporations, organizations, and associations of all kinds. Liberals maintain that not only conflict but also cooperation can shape international affairs.
- Liberals are basically optimistic: when humans employ their reason they can arrive at mutually beneficial cooperation. They can put an end to war. Liberal optimism is closely connected with the rise of the modern state. Modernization means progress in most areas of human life, including international relations.
- Liberal arguments for more cooperative international relations are divided into four different strands: sociological liberalism, interdependence liberalism, institutional liberalism, and republican liberalism.
- Sociological liberalism: IR not only studies relations between governments; it also studies relations between private individuals, groups, and societies. Relations between people are more cooperative than relations between governments. A world with a large number of transnational networks will be more peaceful.
- Interdependence liberalism: modernization increases the level of interdependence between states. Transnational actors are increasingly important, military force is a less useful instrument, and welfare, not security, is the dominant goal of states. That 'complex interdependence' signifies a world of more cooperative international relations.
- Institutional liberalism: international institutions promote cooperation between states. Institutions alleviate problems concerning lack of trust between states and they reduce states' fear of each other.
- Republican liberalism: democracies do not go to war against each other. That is due to their domestic culture of peaceful conflict resolution, to their common moral values, and to their mutually beneficial ties of economic cooperation and interdependence.
- Neorealists are critical of the liberal view. They argue that anarchy cannot be eclipsed and therefore that liberal optimism is not warranted. As long as anarchy prevails, there is no escape from self-help and the security dilemma.
- Liberals react differently to these neorealist objections. One group of 'weak liberals' accepts several neorealist claims. Another group, 'strong liberals', maintains that the world is changing in fundamental ways that are in line with liberal expectations. Anarchy does not have the exclusively negative consequences that neorealists claim: there can be positive anarchy that involves secure peace between consolidated liberal democracies.



### QUESTIONS

- Liberals are optimistic about human progress, cooperation, and peace. What are the reasons given for that optimism? Are they good reasons?
- Has international history been as progressive as liberals claim? Use examples.
- Identify the arguments given by the four strands of liberalism discussed in this chapter. Is any strand of liberalism more fundamentally important, or are all strands equally important?



- What arguments can you make, for and against, the assertion that democracy has made striking progress in the world during the past decade?
- Realists argue that anarchy cannot be transcended. Strong liberals say it can. Who is right and for which reasons?
- Was 11 September 2001 a setback for liberal ideas?
- Think of one or two research projects based on liberal theory.
- Identify the tensions in the liberal view of world order. How can these tensions be mastered?



### GUIDE TO FURTHER READING

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- Sørensen, G. (2011). *A Liberal World Order in Crisis. Choosing Between Imposition and Restraint*. Ithaca, NY: Cornell University Press.



### WEB LINKS



Web links mentioned in the chapter, together with additional material including a case-study on the democratic peace, can be found on the Online Resource Centre that accompanies this book.

[www.oxfordtextbooks.co.uk/orc/jackson\\_sorensen5e/](http://www.oxfordtextbooks.co.uk/orc/jackson_sorensen5e/)