Chapter 3

Liberalism

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As one of the two great philosophical products of the European Enlightenment, liberalism has had a profound impact on the shape of all modern industrial societies. It has championed limited government and scientific rationality, believing individuals should be free from arbitrary state power, persecution and superstition. It has advocated political freedom, democracy and constitutionally guaranteed rights, and privileged the liberty of the individual and equality before the law. Liberalism has also argued for individual competition in civil society and claimed that market capitalism best promotes the welfare of all by most efficiently allocating scarce resources within society. To the extent that its ideas have been realized in recent democratic transitions in both hemispheres and manifested in the globalization of the world economy, liberalism remains a powerful and influential doctrine.

There are many strands of liberal thought which influence the study of international relations. The chapter will begin with an analysis of the revival of liberal thought after the Cold War. It will then explain how traditional liberal attitudes to war and the importance of democracy and human rights continue to inform contemporary thinking. The influence of economic liberalism, in particular interdependency theory and liberal institutionalism, will then be assessed before liberal arguments for globalization and the impact of non-state terrorism on liberal thought is measured. The conclusion will judge the contribution of liberalism to the theory of international relations.

After the Cold War

The demise of Soviet Communism at the beginning of the 1990s enhanced the influence of liberal theories of international relations within the academy, a theoretical tradition long thought to have been discredited by perspectives which emphasize the recurrent features of international relations. In a confident reassertion of the teleology of

liberalism, Fukuyama claimed in the early 1990s that the collapse of the Soviet Union proved that liberal democracy had no serious ideological competitor: it was 'the end point of mankind's ideological evolution' and the 'final form of human government' (1992: xi–xii). It is an argument that has been strengthened by recent transitions to democracy in Africa, East Asia and Latin America.

For Fukuyama, the end of the Cold War represented the triumph of the 'ideal state' and a particular form of political economy, 'liberal capitalism', which 'cannot be improved upon': there can be 'no further progress in the development of underlying principles and institutions' (1992: xi–xii). According to Fukuyama, the end of the East–West conflict confirmed that liberal capitalism was unchallenged as a model of, and endpoint for, humankind's political and economic development. Like many liberals he sees history as progressive, linear and 'directional', and is convinced that 'there is a fundamental process at work that dictates a common evolutionary pattern for *all* human societies – in short, something like a Universal History of mankind in the direction of liberal democracy' (Fukuyama 1992: xi–xii, 48).

Fukuyama's belief that Western forms of government and political economy are the ultimate destination which the entire human race will eventually reach poses a number of challenges for orthodoxy within International Relations. First, his claim that political and economic development terminates at liberal-capitalist democracy assumes that the Western path to modernity no longer faces a challenge of the kind posed by communism, and will eventually command global consent. Secondly, Fukuyama's argument assumes that national and cultural distinctions are no barrier to the triumph of liberal democracy and capitalism, which face little if any serious resistance. Thirdly, Fukuyama's thesis raises vital questions about governance and political community. What are the implications of globalization for nation-states and their sovereign powers?

Most importantly, Fukuyama believes that progress in human history can be measured by the elimination of global conflict and the adoption of principles of legitimacy that have evolved over time in domestic political orders. This constitutes an 'inside-out' approach to international relations, where the behaviour of states can be explained by examining their endogenous arrangements. It also leads to Doyle's important claim that 'liberal democracies are uniquely willing to eschew the use of force in their relations with one another', a view which rejects the realist contention that the anarchical nature of the international system means states are trapped in a struggle for power and security (Linklater 1993: 29).

Liberal internationalism: 'inside looking out'

Although he believes that his 'hypothesis remains correct', the events of 9/11 have subsequently caused Fukuyama to reflect on resistance to political and economic convergence in the modern world and the reaction in many societies against the dominance of the West (Fukuyama 2002: 28). The path to Western modernity in 2005 does not look as straight or inevitable as it did a decade or more ago. The rise of Islamic militancy may only be a transient and disproportionately influential revolt against Western cultural authority, but from the perspective of the 1990s it was as unexpected as it was violent.

Nonetheless, in the 1990s Fukuyama revived a long-held view among liberals that the spread of legitimate domestic political orders would eventually bring an end to international conflict. This neo-Kantian position assumes that particular states, with liberal-democratic credentials, constitute an ideal which the rest of the world will emulate. Fukuyama is struck by the extent to which liberal democracies have transcended their violent instincts and institutionalized norms which pacify relations between them. He is particularly impressed by the emergence of shared principles of legitimacy among the great powers, a trend which he thought would continue in the post-Cold War period. The projection of liberal-democratic principles to the international realm is said to provide the best prospect for a peaceful world order because 'a world made up of liberal democracies … should have much less incentive for war, since all nations would reciprocally recognise one another's legitimacy' (Fukuyama 1992: xx).

This approach is rejected by neo-realists who claim that the moral aspirations of states are thwarted by the absence of an overarching authority which regulates their behaviour towards each other. The anarchical nature of the international system tends to homogenize foreign policy behaviour by socializing states into the system of power politics. The requirements of strategic power and security are paramount in an insecure world, and they soon override the ethical pursuits of states, regardless of their domestic political complexions.

In stressing the importance of legitimate domestic orders in explaining foreign policy behaviour, realists such as Waltz believe that liberals are guilty of 'reductionism' when they should be highlighting the 'systemic' features of international relations. This conflict between 'inside-out' and 'outside-in' approaches to international relations has become an important line of demarcation in modern international theory (Waltz 1991a: 667). The extent to which the neo-realist critique of liberal internationalism can be sustained in the post-Cold War era will be a major feature of this chapter.

Fukuyama's argument is not simply a celebration of the fact that liberal capitalism has survived the threat posed by Marxism. It also implies that neo-realism has overlooked 'the foremost macropolitical trend in contemporary world politics: the expansion of the liberal zone of peace' (Linklater 1993: 29). Challenging the view that anarchy conditions international behaviour is Doyle's argument that there is a growing core of pacific states which have learned to resolve their differences without resorting to violence. The likely expansion of this pacific realm is said to be the most significant feature of the post-Communist landscape. If this claim can be upheld it will constitute a significant comeback for an international theory widely thought to have been seriously challenged by Carr in his critique of liberal utopianism in the 1940s. It will also pose a serious challenge to a discipline which until recently has been dominated by assumptions that war is an endemic feature of international life (Doyle 1986: 1151–69).

War, democracy and free trade

The foundations of contemporary liberal internationalism were laid in the eighteenth and nineteenth centuries by liberals proposing preconditions for a peaceful world order. In broad summary they concluded that the prospects for the elimination of war lay with a preference for democracy over aristocracy and free trade over autarky. In this section we will examine these arguments in turn, and the extent to which they inform contemporary liberal thought.

Prospects for peace

For liberals, peace is the normal state of affairs: in Kant's words, peace can be perpetual. The laws of nature dictated harmony and cooperation between peoples. War is therefore both unnatural and irrational, an artificial contrivance and not a product of some peculiarity of human nature. Liberals have a belief in progress and the perfectibility of the human condition. Through their faith in the power of human reason and the capacity of human beings to realize their inner potential, they remain confident that the stain of war can be removed from human experience (Gardner 1990: 23–39; Hoffmann 1995: 159–77; Zacher and Matthew 1995: 107–50).

A common thread, from Rousseau, Kant and Cobden, to Schumpeter and Doyle, is that wars were created by militaristic and undemocratic governments for their own vested interests. Wars were engineered by a 'warrior class' bent on extending their power and wealth through