

becoming dominant. In the 1970s state elites began to realize that wealth is determined by their share of the world market in value-added goods and services. This understanding has had two significant effects. First, the age of the independent, self-sufficient state is over. Complex layers of economic interdependency ensure that states cannot act aggressively without risking economic penalties imposed by other members of the international community, a fate even for great powers. It also makes little sense for a state to threaten its commercial partners, whose markets and capital investment are essential for its own economic growth. Secondly, territorial conquest in the nuclear age is both dangerous and costly for rogue states. The alternative – economic development through trade and foreign investment – is a much more attractive and potentially beneficial strategy (Rosecrance 1986; Strange 1991).

Neo-realists have two responses to the liberal claim that economic interdependency is pacifying international relations (Grieco 1988). First, they argue that in any struggle between competing disciplines, the anarchic environment and the insecurity it engenders will always take priority over the quest for economic prosperity. Economic interdependency will never take precedence over strategic security because states must be primarily concerned with their survival. Their capacity to explore avenues of economic cooperation will therefore be limited by how secure they feel, and the extent to which they are required to engage in military competition with others. Secondly, the idea of economic interdependence implies a misleading degree of equality and shared vulnerability to economic forces in the global economy. Interdependence does not eliminate hegemony and dependency in inter-state relations because power is very unevenly distributed throughout the world's trade and financial markets. Dominant players such as the United States have usually framed the rules under which interdependency has flourished. Conflict and cooperation is therefore unlikely to disappear, though it may be channelled into more peaceful forms.

Human rights

The advocacy of democracy and free trade foreshadows another idea which liberal internationalism introduced to international theory. Liberals have always believed that the legitimacy of domestic political orders was largely contingent upon upholding the rule of law and the state's respect for the human rights of its citizens. If it is wrong for an individual to engage in socially unacceptable or criminal behaviour, it is also wrong for states.

References to essential human needs are implicit in some of the earliest written legal codes from ancient Babylon, as well as early Buddhist,

Confucian and Hindu texts, though the first explicit mention of universal principles governing common standards of human behaviour can be found in the West.

The idea of universal human rights has its origins in the Natural Law tradition, debates in the West during the Enlightenment over the 'rights of man' and in the experience of individuals struggling against the arbitrary rule of the state. The **Magna Carta in 1215, the development of English Common Law and the Bill of Rights in 1689 were significant, if evolutionary steps along the path to enshrining basic human rights in law, as were intellectual contributions from Grotius (the law of nations), Rousseau (the social contract) and Locke (popular consent, limits of sovereignty).** An early legal articulation of human rights can be found in the **American Declaration of Independence in 1776** ('we take these truths to be self-evident, that all men are created equal, and that they are endowed by their Creator with certain unalienable Rights, that amongst these are Life, Liberty and the pursuit of Happiness') and in **France's Declaration of the Rights of Man and the Citizen in 1789** ('all men are born free and equal in their rights').

Human beings are said to be endowed – purely by reason of their humanity – with certain fundamental rights, benefits and protections. These rights are regarded as inherent in the sense they are the birthright of all, inalienable because they cannot be given up or taken away and universal since they apply to all regardless of nationality, status, gender or race.

The extension of these rights to all peoples has a particularly important place in liberal thinking about foreign policy and international relations, for two reasons. First, these rights give a legal foundation to emancipation, justice and human freedom. Their denial by state authorities is an affront to the dignity of all and a stain on the human condition. Secondly, states which treat their own citizens ethically and allow them meaningful participation in the political process are thought to be less likely to behave aggressively internationally. The task for liberals has been to develop and promote moral standards which would command universal consent, knowing that in doing so states may be required to jeopardize the pursuit of their own national interests. This has proven to be a difficult task, despite evident progress on labour rights, the abolition of slavery, the political emancipation of women in the West, the treatment of indigenous peoples and the end of white supremacism in South Africa.

The creation of important legal codes, instruments and institutions in the post-Second World War period is a measure of achievement in the area. The most important instruments are the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966) and the International Covenant on Economic, Social and

Cultural Rights (1966), while the International Labour Organisation (ILO) and the International Court of Justice (ICJ) play a significant institutional and symbolic role in the protection of human rights. A greater concern about genocidal crimes, the outlawing of cruel and inhuman punishment and the rights of detainees apprehended on the battlefield are a reflection of progress in the area.

In his seminal account, Vincent (1986) identified the right of the individual to be free from starvation as the only human right which is likely to receive the support of a global consensus. The world community, regardless of religious or ideological differences, agrees that a right to subsistence was essential to the dignity of humankind. Beyond this right, nation-states struggle to find agreement, not least because the developing world is suspicious that human rights advocacy from metropolitan centres is little more than a pretext for unwarranted interference in their domestic affairs. Most states are reluctant to give outsiders the power to compel them to improve their ethical performance, although there is a growing belief that the principle of territorial sovereignty should no longer be used by governments as a credible excuse for avoiding legitimate international scrutiny.

Marxists have dismissed liberal human rights as mere bourgeois freedoms which fail to address the class-based nature of exploitation contained within capitalist relations of production. Realists would add that 'conditions of profound insecurity for states do not permit ethical and humane considerations to override their primary national considerations' (Linklater 1992b: 27). After all, it is interests which determine political action and in the global arena, politics is the amoral struggle for power to advance these interests.

Liberals struggle to avoid the charge that their conceptions of democracy and human rights are culturally specific, ethnocentric and therefore irrelevant to societies which are not Western in cultural orientation. To many societies, appeals to universality may merely conceal the means by which one dominant society imposes its culture upon another, while infringing on its sovereign independence. The promotion of human rights from the core to the periphery assumes a degree of moral superiority – that the West not only possesses moral truths which others are bound to observe, but that it can sit in judgement on other societies.

The issue is further complicated by the argument that economic, social and cultural rights should precede civil and political rights – one made earlier by Communist states and more recently by a number of East Asian governments, and which is a direct challenge to the idea that human rights are indivisible and universal, a revolt against the West. It implies that the alleviation of poverty and economic development in these societies depends on the initial denial of political freedoms

and human rights to the citizen. However, the claim that rights can be prioritized in this way or that procedural and substantive freedoms are incompatible is problematic and widely seen, with some justification, as a rationalization by governments for authoritarian rule.

An increasing number of conservative political leaders in East Asia have also argued that there is a superior Asian model of political and social organization comprising the principles of harmony, hierarchy and consensus (Confucianism) in contrast to what they regard as the confrontation, individualism and moral decay which characterizes Western liberalism. Regardless of how self-serving this argument is – and it is rarely offered by democratically elected rulers – it poses a fundamental challenge to Fukuyama's suggestion that in the post-Cold War period liberal democracy faces no serious universal challenges. It is clear that these states are not striving to imitate the Western route to political modernization. Some reject it outright.

Even if universal rules and instruments could be agreed upon, how could compliance with universal standards be enforced? Liberals are divided over this issue, between non-interventionists who defend state sovereignty, and those who feel that the promotion of ethical principles can justify intervention in the internal affairs of other states (see Bull 1984a).

Recent examples of so-called 'humanitarian intervention' in Cambodia, Rwanda, Serbia, Somalia and East Timor pose a growing challenge to the protection from outside interference traditionally afforded by sovereignty claims. This also applies to the prosecution of those suspected of committing war crimes and crimes against humanity by international tribunals such as the ICJ (Forbes and Hoffman 1993). The embryonic International Criminal Court (ICC) can be seen as a further expression of liberal sentiments which oppose the arbitrary cruelty of political leaders and the use of agencies of the state to inflict harm on minorities and opponents. However, its very structure and functions limit the sovereign right of a government to administer the internal affairs of their state free from outside interference. States like the United States, which refuse to ratify the ICC for reasons of sovereignty, will therefore come under increasing pressure in the years ahead to conform with what appears to be a growing global consensus.

Celebrated trials (Milošević, Saddam) and attention given to non-trials (Pinochet, Suharto) indicate a significant shift away from the traditional provision of sovereign immunity to heads of state and others guilty of war crimes and crimes against humanity. Whereas in the past justice, if dispensed at all, would come from within the state, the establishment of international legal fora and the further development of international law in this area are largely due to the influence of liberal internationalism and

its emphasis on the importance of global benchmarks and the rule of law. It is true that cases like these never truly escape the political atmosphere of the day, in particular the domestic political climate in each country directly involved, however the fact that they arise at all within international legal jurisdictions indicates significant progress towards a system of global justice.

Modern forms of humanitarian intervention follow a pattern established in the middle of the eighteenth century when the British and Dutch successfully interceded on behalf of Prague's Jewish community, which was threatened with deportation by authorities in Bohemia. The protection of Christian minorities at risk in Europe and in the Orient in the eighteenth and nineteenth centuries by the Treaty of Kucuk-Kainardji (1774) and the Treaty of Berlin (1878) are also part of the same legal precedent, as is the advocacy of British Prime Minister Gladstone in the second half of the nineteenth century and US President Wilson early in the twentieth century. Vietnam's invasion of Cambodia in 1978, when refracted through the ideological prism of the Cold War, highlighted the politically contingent nature of humanitarian intervention in the modern period. Liberals who support both the sovereign rights of independent states and the right of external intervention in cases where there is an acute humanitarian crisis, find it difficult to reconcile both international norms (Chomsky 1999a).

Economy and terrorism

Fukuyama's post-Cold War optimism is on firmer ground if we consider the extent to which economic liberalism has become the dominant ideology of the contemporary period. The move towards a global political economy organized along neo-liberal lines is a trend as significant as the likely expansion of the zone of peace. As the new century opens, the world economy more closely resembles the prescriptions of Smith and Ricardo than at any previous time. And as MacPherson forecast, this development is also a measure of 'how deeply the market assumptions about the nature of man and society have penetrated liberal-democratic theory' (MacPherson 1977: 21). The dark cloud on the horizon, however, is as serious as it was unexpected. The recent wave of anti-Western Islamist terror represents a significant blockage on the path to globalization and confronts liberals with a range of intellectual dilemmas and policy reversals for which they were unprepared.

Before examining the extent to which liberalism has shaped the contours of the world economy today and the impact of Islamist terror, it is important to recognize that the experience of *laissez faire* capitalism in

the nineteenth century challenged many liberal assumptions about human beings, the market and the role of the state. This is often forgotten or not well understood by contemporary economic liberals.

Critics such as Polanyi highlighted the extent to which material self-gain in a market society was necessary for survival in an unregulated market society, rather than a reflection of the human condition in its natural state. It is therefore unwise for liberals to generalize from the specific case of market capitalism – to believe that behaviour enforced as a result of a new and presumably transient form of political economy was a true reflection of a human being's inner self (Polanyi 1944; Block and Somers 1984).

State intervention in the economic life of a society was in fact an act of community self-defence against the destructive power of unfettered markets which, according to Polanyi, if left unregulated, threatened to annihilate society. However, state intervention in the economy was also necessary for markets to function – free trade, commercial exchanges and liberal markets have always been policies of the state and have not emerged organically or independently of it.

As List and many since have explained, the state plays a crucial role in the economic development of industrial societies, protecting embryonic industries from external competition until they are ready to win global market shares on an equal footing. There are few, if any examples of states emerging as industrial powerhouses by initially adopting a policy of free trade. Protectionism and state coordinated economic development have been key early ingredients of economic success in the modern world, as the post-war experience of East Asia suggests.

Liberalism and globalization

To a significant extent, the globalization of the world economy coincided with a renaissance of neo-liberal thinking in the Western world. The political triumph of the 'New Right' in Britain and the United States in particular during the late 1970s and 1980s was achieved at the expense of Keynesianism, the first coherent philosophy of state intervention in economic life. According to the Keynesian formula, the state intervened in the economy to smooth out the business cycle, provide a degree of social equity and security and maintain full employment. Neo-liberals, who had always favoured the free play of 'market forces' and a minimal role for the state in economic life, wanted to 'roll back' the welfare state, in the process challenging the social-democratic consensus established in most Western states during the post-war period.

Just as the ideological predilection of Western governments became more concerned with efficiency and productivity and less concerned