



**THE NEW LIBERALISM IN GLOBAL POLITICS:
FROM INTERNATIONALISM TO TRANSNATIONALISM**

By James Kurth

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The final collapse of the Soviet Union in 1991 brought a definitive end to the Cold War. It also brought an end to an international system defined by two superpowers and the beginning of a new global system defined by only one, the United States. The prevailing American ideology of international affairs—its literal worldview—had long been liberal internationalism, and the United States promptly proceeded to reshape global affairs according to its precepts. Now, two decades after its beginning, the global ascendancy of the United States and its ideology seems, to many observers, to be approaching its own end. It is an appropriate time, therefore, to review and reflect upon the course of liberal internationalism over the past two decades and, in particular, to discern what its recent transformation into liberal transnationalism may mean for America's future.

A TALE OF TWO DECADES

The 1990s were certainly a good decade for liberal internationalism. It was the era of the New World Order, the Washington Consensus, neo-liberal regimes, humanitarian intervention, universal human rights, global governance, and, of course and most famously, globalization. The greatest military and economic power and sole superpower—the United States—vigorously promoted liberal internationalism. And within the United States itself, both political parties—the Democrats and the Republicans—embraced it. Most importantly, liberal internationalism seemed to provide the best answers for the security and economic challenges of the time.

In contrast, the 2000s were a bad decade for liberal internationalism. Most obviously, September 11, 2001, can be seen as marking the transition from the era of globalization to the era of global Islamist terrorism. Then in 2002, the George W. Bush administration pronounced a new U.S. national security strategy, whose core elements included unilateralism and pre-emption (really preventive war) which were the very opposite of the conventions of liberal internationalism in security affairs. Neo-liberals advocating liberal internationalism gave way to neo-conservatives advocating hypernationalism and even an American empire. The conduct of the ensuing Iraq War certainly contradicted liberal internationalism.

At the same time in the 2000s, the U.S. economy entered into a period of instability, enhanced by record deficits in the federal budget and in international trade. The decade ended with the disastrous global financial crisis in the Fall of 2008, followed by the deeper Great Recession which has continued into the 2010s. Conversely, the Chinese economy continued in its great leap upward throughout the 2000s, and it continues to do so even during the Great Recession. Although this reversal of economic fortunes has not decisively undermined liberal internationalism in economic affairs, it has certainly undermined the long-run capacity of the United States to serve as the global economic hegemon, which conventionally has been thought to be the necessary support for a liberal-internationalist regime.

LIBERAL INTERNATIONALISM IN ECONOMIC AFFAIRS: WHAT IS OLD AND WHAT IS NEW

It is useful to recall, however, that the past decade was not the first time that the American economy has seemed to falter in the face of a challenge from another one. In the 1950s (incredible as it might seem now), there was grave concern in America about the challenge posed by the rapidly-growing Soviet economy. In the 1960s, the challenge came from the West European economies; in the 1970s, it came from the oil-price shocks and the oil-producing countries; and in the 1980s, it came from the Japanese economy. It was only in the 1990s that the American economy seemed to have no robust challenges, a condition which had last been seen in the late 1940s. In the end, however, each of these challenges from foreign economies was met, contained, or even subdued by the American economy and by the liberal-internationalist regime which the American hegemon supported.

Unfortunately, the economic challenge that developed in the past decade could well be different than those in the decades before. First, the potential scale of the Chinese economy greatly exceeds that of the earlier challengers; there is also the large potential scale of the Indian economy, as well. Second, the current scale of American economic difficulties greatly exceeds that of earlier decades, with both the budget deficit and the trade deficit being at record levels and with no obvious prospects for their reversal.

Indeed, the current economic challenge can be seen as combining each of the previous major challenges into one massive one—the Soviet command economy and the Japanese organized capitalism of the past are recapitulated in the Chinese state-guided, market-Leninist, economy of today. The West European social-market and advanced-industrial economies of the past are recapitulated in the mature but still competitive German and Japanese economies of today. As for the oil shocks of the 1970s, we may be seeing the beginnings of their recapitulation in the current political turmoil in the oil producers of the Middle East. Given the scale and the scope of the current economic challenge, it is very conceivable that this time is different, that the American economy will at last fall into a consistent and long-term decline. If so, the decline of the American hegemon could mean that liberal internationalism would decline also.

LIBERAL INTERNATIONALISM IN SECURITY AFFAIRS: WHAT WAS CHANGED AND WHAT HAS BEEN RENEWED

The Bush Doctrine of unilateralism and preventive war and the neo-conservative vision of an American empire certainly posed a challenge to liberal internationalism in the realm of security. However, the first fruit produced by this challenge was the Iraq War, and the course of that war in its first several years (a grueling, grinding counterinsurgency campaign with little evidence of progress until 2007) had the effect of aborting much of the Bush Doctrine and the neo-conservative project. Unilateralism and preventive war had left the United States in lonely exposure and with diminished respect. Moreover, with a second grueling, grinding counterinsurgency campaign in Afghanistan, U.S. military forces were stretched far too thin to undertake any new invasion of another country, much less provide the reputation for awesome military strength which is so important for advancing any empire. Consequently, the second Bush administration had to return to multilateralism and negotiation—not turn to unilateralism and preventive war—when dealing with the genuine nuclear threats that arose from North Korea and Iran during the 2000s. The Bush administration also had to resort to multilateralism in its efforts to reconstruct Afghanistan and to negotiate an end to Libya's nuclear program. The succeeding Obama administration has continued in this direction. It has returned to a pronounced version of multilateralism (most recently, in its military operations against the Qaddafi regime in Libya), and it has sought to reinvigorate liberal internationalism in security affairs.

THE LIKELY INCAPACITY OF LIBERAL INTERNATIONALISM IN THE FUTURE

However, it is not at all clear that liberal internationalism can actually solve the problem which gave birth to the neo-conservative hypernationalism and imperialism in the first place—i.e., the security challenge posed by transnational networks of Islamist terrorists. Liberal internationalism had failed to prevent the rise of al Qaeda and the conditions which nurtured it in the 1990s, and it had no convincing program to deal with Islamist terrorism in the immediate aftermath of 9/11.

Moreover, it is not clear that liberal internationalism will actually be capable of meeting the challenge of the dramatic (and potentially disruptive) rise of the Chinese economy. The Chinese conception of the international economy is best characterized not as liberal internationalism but rather as conservative nationalism or mercantilism, rather like the Japanese conception from the 1950s through the 1980s, but even more so.

Consequently, it appears likely that liberal internationalism will not be able to deal adequately with the two great challenges of the next decade or more—the security challenge posed by the transnational networks of Islamist terrorists and the economic challenge posed by the conservative nationalism of China. Can these two challenges be better addressed with some alternative to liberal internationalism?

THE NON-ALTERNATIVE OF NEO-CONSERVATIVE HYPERNATIONALISM

We can now be reasonably certain that one alternative, that of the neo-conservative hypernationalists and imperialists, offers even less promise than liberal internationalism. They had their brief moment in the sun (from 9/11 to the beginning of the Iraq War, or about 18 months), and they had their chance to solve America's grave security and economic problems. They blew it by making these problems even worse than they were before. I would instead like to propose an alternative to both liberal internationalism and neo-conservative hypernationalism, and that is conservative internationalism. But first, we will have to recognize the recent transformation of liberal internationalism into liberal transnationalism.

FROM LIBERAL INTERNATIONALISM TO LIBERAL TRANSNATIONALISM

Liberal internationalism as we have known it over the past generation or two has included several interrelated but distinct elements: (1) liberal democracy in politics; (2) free markets in economics; (3) the open society with respect to borders and

culture, and (4) multilateral diplomacy in international affairs. Over time, however, the free-market and open-society elements have dissolved much of the borders between nations (and to some degree have dissolved a good deal of the nations themselves, particularly in Western Europe). Liberal internationalism, thus, has transformed itself into a phenomenon that is more accurately called liberal transnationalism. Internationalism presupposes the continuing existence of nations; transnationalism presupposes the transformation of nations into something else (multicultural society, the European Union, the global community, among others).

Liberal transnationalism—driven as it is by free markets and open societies and developing as it has to the present—means the free movement across open borders of all four economic factors: goods (trade), capital (investment), labor (migration), and knowledge (especially the Internet). All this freedom and openness has been celebrated by the ideology of globalization. However, globalization and liberal transnationalism have been incapable, to date, of dealing with global, transnational networks of Islamist terrorists, as is illustrated by the growing number of terrorist bombings in Western Europe, which emanate from Islamist groups there. Furthermore, globalization and liberal transnationalism in themselves not only promote rapid growth of the Chinese economy (which is largely a good thing) but they also facilitate the hollowing-out of the industrial and capital bases of the U.S. and European economies (which is not).

THE STRENGTHS OF THE ORIGINAL AND AUTHENTIC LIBERAL INTERNATIONALISM

When the liberal internationalism regime was first established in the late 1940s-1950s, it was largely limited to a smaller number of elements: (1) liberal democracy, which was often conservative democracy in practice, with political parties such as the Republicans (the United States), the Conservatives (Britain), and the Christian Democrats (the European continent) often being in power; (2) the mixed economy, along with the relatively free movement across borders of goods and knowledge, but not of capital or labor; (3) a more communal or solidaristic conception of society and culture; and, even then, (4) multilateral diplomacy in international affairs. This ensemble of elements was fully consistent with strong national states and therefore with *inter-national* relations. It was, so to speak, liberal internationalism rightly understood.

In this original and authentic liberal internationalism, the strong national states which composed it were fully capable of implementing both restrictive immigration policies and rigorous internal-security policies. They were also fully capable of implementing policies designed to build up their social infrastructure, increase the educational levels and productive capacities of their citizens, and enhance their economic competitiveness in international trade. In other words, they would have been far more capable of dealing with the contemporary security challenge posed by Islamist terrorists and the contemporary economic challenge posed by Chinese competition than are the liberal transnationalism and the eviscerated national states (particularly in Western Europe) of today.

It was, however, the most liberal elements within the original liberal internationalism (e.g., liberal and leftist political parties, a growing free movement across borders of capital and labor, and a growing culture of expressive individualism) which ultimately took control of liberal internationalism and transformed it into liberal transnationalism. Conversely, had the original liberal internationalism retained its poised balance between its liberal and its conservative elements, an authentic liberal internationalism would still exist today, and not just its current, deformed, transnationalist caricature.

In the past several years, the United States, and particularly political analysts, have been much concerned with the security dangers emanating from failed states in the underdeveloped world, and consequently there has been much discussion (but less actual implementation) of proposals for nation-building and state-building in those countries. Given the foregoing observations, however, it seems that one place to apply such proposals might be the nations and states of the developed world, including the United States, where there seems to be much need for nation-rebuilding and state-rebuilding.

WHICH WORLDVIEW HAS A FUTURE?

In summary, liberal internationalism could have a promising future, but only if it ceases to be liberal transnationalism and becomes once again liberal internationalism rightly understood. For that to happen, it will have to restore its lost conservative elements, making it in actuality a kind of conservative internationalism. And for that to happen, it would have to react against the dominance of its most extreme liberal elements, making it a kind of reactionary internationalism. But as soon as we put it this way and we think of the liberals of today, we see that this is not going to happen. Consequently, we can conclude that, indeed, liberal internationalism does not have a promising future. The only real choice for the United States in global affairs in the future is between liberal transnationalism—which seeks to abolish America as a nation—and conservative internationalism—which seeks to conserve it.

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