

# Bound to Fail

John J. Mearsheimer

## The Rise and Fall of the Liberal International Order

**B**y 2019, it was clear that the liberal international order was in deep trouble. The tectonic plates that underpin it are shifting, and little can be done to repair and rescue it. Indeed, that order was destined to fail from the start, as it contained the seeds of its own destruction.

The fall of the liberal international order horrifies the Western elites who built it and who have benefited from it in many ways.<sup>1</sup> These elites fervently believe that this order was and remains an important force for promoting peace and prosperity around the globe. Many of them blame President Donald Trump for its demise. After all, he expressed contempt for the liberal order when campaigning for president in 2016; and since taking office, he has pursued policies that seem designed to tear it down.

It would be a mistake, however, to think that the liberal international order is in trouble solely because of Trump's rhetoric or policies. In fact, more fundamental problems are at play, which account for why Trump has been able to successfully challenge an order that enjoys almost universal support among the foreign policy elites in the West. The aim of this article is to determine why the liberal world order is in big trouble and to identify the kind of international order that will replace it.

I offer three main sets of arguments. First, because states in the modern world are deeply interconnected in a variety of ways, orders are essential for facilitating efficient and timely interactions. There are different kinds of international orders, and which type emerges depends primarily on the global distribution of power. But when the system is unipolar, the political ideology of the sole pole also matters. Liberal international orders can arise only in unipolar systems where the leading state is a liberal democracy.

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1. Ivo H. Daalder and James M. Lindsay, *The Empty Throne: America's Abdication of Global Leadership* (New York: PublicAffairs, 2018).

Second, the United States has led two different orders since World War II. The Cold War order, which is sometimes mistakenly referred to as a “liberal international order,” was neither liberal nor international. It was a bounded order that was limited mainly to the West and was realist in all its key dimensions. It had certain features that were also consistent with a liberal order, but those attributes were based on realist logic. The U.S.-led post-Cold War order, on the other hand, is liberal and international, and thus differs in fundamental ways from the bounded order the United States dominated during the Cold War.

Third, the post-Cold War liberal international order was doomed to collapse, because the key policies on which it rested are deeply flawed. Spreading liberal democracy around the globe, which is of paramount importance for building such an order, not only is extremely difficult, but often poisons relations with other countries and sometimes leads to disastrous wars. Nationalism within the target state is the main obstacle to the promotion of democracy, but balance of power politics also function as an important blocking force.

Furthermore, the liberal order’s tendency to privilege international institutions over domestic considerations, as well as its deep commitment to porous, if not open borders, has had toxic political effects inside the leading liberal states themselves, including the U.S. unipole. Those policies clash with nationalism over key issues such as sovereignty and national identity. Because nationalism is the most powerful political ideology on the planet, it invariably trumps liberalism whenever the two clash, thus undermining the order at its core.

In addition, hyperglobalization, which sought to minimize barriers to global trade and investment, resulted in lost jobs, declining wages, and rising income inequality throughout the liberal world. It also made the international financial system less stable, leading to recurring financial crises. Those troubles then morphed into political problems, further eroding support for the liberal order.

A hyperglobalized economy undermines the order in yet another way: it helps countries other than the unipole grow more powerful, which can undermine unipolarity and bring the liberal order to an end. This is what is happening with the rise of China, which, along with the revival of Russian power, has brought the unipolar era to a close. The emerging multipolar world will consist of a realist-based international order, which will play an important role in managing the world economy, dealing with arms control, and handling problems of the global commons such as climate change. In addition to this new international order, the United States and China will lead bounded orders that will compete with each other in both the economic and military realms.<sup>2</sup>

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2. This article assumes that the world became multipolar in or close to 2016, and that the shift

The remainder of this article is organized as follows. First, I explain what the term “order” means and why orders are an important feature of international politics. Second, I describe the different kinds of orders and the circumstances under which a liberal international order will emerge. Relatedly, I examine in the third section what accounts for the rise and decline of international orders. In the fourth section, I describe the different Cold War orders. In the next three sections, I recount the history of the liberal international order. Then, in the subsequent four sections, I explain why it failed. In the penultimate section, I discuss what the new order will look like under multipolarity. The conclusion provides a brief summary of my argument and some policy recommendations.

### *What Is an Order and Why Do Orders Matter?*

An “order” is an organized group of international institutions that help govern the interactions among the member states.<sup>3</sup> Orders can also help member states deal with nonmembers, because an order does not necessarily include every country in the world. Furthermore, orders can comprise institutions that have a regional or a global scope. Great powers create and manage orders.

International institutions, which are the building blocks of orders, are effectively rules that the great powers devise and agree to follow, because they believe that obeying those rules is in their interest. The rules prescribe acceptable kinds of behavior and proscribe unacceptable forms of behavior.<sup>4</sup> Unsurprisingly, the great powers write those rules to suit their own interests. But when the rules do not accord with the vital interests of the dominant states, those same states either ignore them or rewrite them. For example, President George W. Bush emphasized on numerous occasions before the 2003 Iraq War that even if a U.S. invasion violated international law, “America will do what is

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away from unipolarity is a death sentence for the liberal international order, which is in the process of collapsing and will be replaced by realist orders.

3. My definition of an international order is consistent with how other scholars define the term. See Hal Brands, *American Grand Strategy and the Liberal Order: Continuity, Change, and Options for the Future* (Santa Monica, Calif.: RAND Corporation, 2016), p. 2; G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton, N.J.: Princeton University Press, 2001), pp. 23, 45; and Michael J. Mazarr, *Summary of the Building a Sustainable International Order Project* (Santa Monica, Calif.: RAND Corporation, 2018), pp. 3–5. Order does not mean peace or stability. In other words, it is not the opposite of disorder, a term that can convey chaos and conflict. Nevertheless, many in the West believe that a well-established liberal world order facilitates peace. Nor is order a concept that describes the balance of power in a particular region or among the great powers. The international order and the global balance of power are distinct entities, although they are related, as discussed below.

4. For my views on international institutions, see John J. Mearsheimer, “The False Promise of International Institutions,” *International Security*, Vol. 19, No. 3 (Winter 1994/95), pp. 5–49, doi.org/10.2307/2539078.

necessary to ensure our nation's security . . . I will not wait on events, while dangers gather."<sup>5</sup>

An order can contain different kinds of institutions, including security institutions such as the North Atlantic Treaty Organization (NATO), the Nuclear Non-Proliferation Treaty (NPT), or the Warsaw Pact, as well as economic institutions such as the International Monetary Fund (IMF), the North American Free Trade Agreement, the Organization for Economic Co-operation and Development, and the World Bank. It can also include institutions that deal with the environment, such as the Paris Agreement to tackle climate change, and more multifaceted institutions such as the European Union (EU), the League of Nations, and the United Nations (UN).

Orders are indispensable in the modern international system for two reasons. First, they manage interstate relations in a highly interdependent world.<sup>6</sup> States engage in enormous amounts of economic activity, which leads them to establish institutions and rules that can regulate those interactions and make them more efficient. But that interdependence is not restricted to economic affairs; it also includes environmental and health issues. Pollution in one country, for example, invariably affects the environment in neighboring countries, while the effects of global warming are universal and can be dealt with only through multilateral measures. Moreover, deadly diseases do not need passports to cross international boundaries, as the lethal influenza pandemic of 1918–20 made clear.

States are also interconnected in the military realm, which leads them to form alliances. To present an adversary with a formidable deterrent or to fight effectively should deterrence break down, allies benefit from having rules that stipulate how each member's military will operate and how they will coordinate with each other. The need for coordination is magnified because modern militaries possess a vast array of weapons, not all of which are compatible with their allies' weaponry. Consider the wide variety of weapons in the militaries that made up NATO and the Warsaw Pact, not to mention the difficulty of coordinating the movements of the various fighting forces inside those alliances. It is unsurprising that both superpowers maintained heavily institutionalized alliances—and indeed heavily institutionalized orders—during the Cold War.

Second, orders are indispensable in the modern international system be-

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5. President George W. Bush, "State of the Union Address" (Washington, D.C.: White House, January 29, 2002), <https://georgewbush-whitehouse.archives.gov/news/releases/2002/01/20020129-11.html>.

6. Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, N.J.: Princeton University Press, 1984); and Stephen D. Krasner, ed., "International Regimes," special issue, *International Organization*, Vol. 36, No. 2 (Spring 1982).

cause they help the great powers manage the behavior of the weaker states in ways that suit the great powers' interests.<sup>7</sup> Specifically, the most powerful states design institutions to constrain the actions of less powerful states and then put significant pressure on them to join those institutions and obey the rules no matter what. Nevertheless, those rules often work to the benefit of the weaker states in the system.

A good example of this phenomenon is the superpowers' efforts during the Cold War to build a nonproliferation regime. Toward that end, in 1968 the Soviet Union and the United States devised the NPT, which effectively made it illegal for any member state that did not have nuclear weapons to acquire them. Naturally, the leadership in Moscow and Washington went to great lengths to get as many states as possible to join the NPT. The superpowers were also the main driving force behind the formation of the Nuclear Suppliers Group in 1974, which aims to place significant limits on the sale of nuclear materials and technologies to countries that do not possess nuclear weapons, but might attempt to acquire them in the market.

The institutions that make up an order, however, cannot compel powerful states to obey the rules if those states believe that doing so is not in their interest. International institutions, in other words, do not take on a life of their own, and thus do not have the power to tell the leading states what to do. They are simply tools of the great powers. Still, rules, which are the essence of any institution, help manage the behavior of states, and great powers obey the rules most of the time.

The bottom line is that in a world of multifaceted interdependence, a system of rules is necessary to lower transaction costs and help carry out the multitude of interactions that take place among states. Adm. Harry Harris, a former commander of U.S. military forces in the Pacific, captures this point when he referred to the liberal international order as the "Global Operating System."<sup>8</sup>

### *Types of Orders*

There are three important distinctions among the orders that populate the international system. The first difference is between international orders and bounded orders. For an order to be international, it must include all of the world's great powers. Ideally, it would contain every country in the system. In contrast, bounded orders consist of a set of institutions that have limited mem-

7. Jack Knight, *Institutions and Social Conflict* (New York: Cambridge University Press, 1992).

8. Statement of Adm. Harry B. Harris Jr., U.S. Navy Commander, U.S. Pacific Command before the House Armed Services Committee on U.S. Pacific Command Posture, 115th Cong., 1st sess., April 26, 2017, p. 1, <https://docs.house.gov/meetings/AS/AS00/20170426/105870/HHRG-115-AS00-Wstate-HarrisH-20170426.PDF>.

bership. They do not include all of the great powers, and they are usually regional in scope. In most cases, they are dominated by a single great power, although it is possible for two or more great powers to form a bounded order, provided at least one great power remains outside of it. In short, international and bounded orders are created and run by great powers.

International orders are concerned mainly with facilitating cooperation between states. Specifically, they help foster cooperation either among the great powers in the system or among virtually all the countries in the world. Bounded orders, on the other hand, are designed mainly to allow rival great powers to wage security competition with each other, not to advance cooperation between them. Nevertheless, great powers that lead bounded orders work hard to foster cooperation among the member states, coercing them if necessary. High levels of cooperation within the bounded order are essential for waging security competition with opposing great powers. Lastly, international orders are a constant feature of contemporary international politics, whereas bounded orders are not. Only realist international orders are accompanied by bounded orders.

The second major distinction concerns the different kinds of international orders that great powers can organize: realist, agnostic, or ideological (to include liberal). Which order takes hold depends primarily on the distribution of power among the great powers. The key issue is whether the system is bipolar, multipolar, or unipolar. If it is unipolar, the political ideology of the dominant state also matters for determining the kind of international order that forms. In bipolarity and multipolarity, however, the political ideology of the great powers is largely irrelevant.

#### REALIST ORDERS

The international order—and the institutions that make it up—will be realist if the system is either bipolar or multipolar. The reason is simple: if there are two or more great powers in the world, they have little choice but to act according to realist dictates and engage in security competition with each other. Their aim is to gain power at the expense of their adversaries, but if that is not possible, to make sure that the balance of power does not shift against them. Ideological considerations are subordinated to security considerations in these circumstances. That would be true even if all the great powers were liberal states.<sup>9</sup> Nevertheless, rival great powers sometimes have an incentive to coop-

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9. Consider, for example, the hard-nosed security competition between Britain and the United States in the latter part of the nineteenth century and the intense rivalry among Britain, France, and Germany in the twenty-five years before World War I. All of those countries were liberal democracies. See Christopher Layne, "Kant or Cant: The Myth of the Democratic Peace," *International Security*, Vol. 19, No. 2 (Fall 1994), pp. 5–49, doi.org/10.2307/2539195; and Ido Oren, "The

erate. After all, they operate in a highly interdependent world, where they are sure to have some common interests.

Bounded and international orders, which operate side by side in a realist world, help opposing great powers compete and cooperate among themselves. Specifically, the great powers establish their own bounded orders to help wage security competition with each other. In contrast, they organize international orders to facilitate cooperation between themselves and often with other countries as well. The institutions that make up an international order are well suited for helping great powers reach agreements when those states have common interests. This concern with cooperation notwithstanding, the great powers are still rivals whose relationship is competitive at its core. Balance of power considerations are always at play, even when great powers work through international institutions to cooperate with each other. In particular, no great power is going to sign an agreement that diminishes its power.

The institutions that make up these realist orders—be they international or bounded—might sometimes have features that are consistent with liberal values, but this is not evidence that the order is liberal. Those features just happen to also make sense from a balance of power perspective. For example, the key economic institutions inside a bounded order might be oriented to facilitate free trade among the member states, not because of liberal calculations, but because economic openness is considered the best way to generate economic and military power inside that order. Indeed, if abandoning free trade and moving toward a more closed economic system made good strategic sense, that would happen in a realist order.

#### AGNOSTIC AND IDEOLOGICAL ORDERS

If the world is unipolar, the international order cannot be realist. Unipolarity has only one great power, and thus by definition there can be no security competition between great powers, which is a *sine qua non* of any realist world order. Consequently, the sole pole has little reason to create a bounded order. After all, bounded orders are mainly designed for waging security competition with other great powers, which is irrelevant in unipolarity. Nevertheless, some of the institutions in that nonrealist international order might be regional in scope, whereas others will be truly global in terms of their membership. None of those regional institutions, however, would be bundled together to form a bounded order; they would instead be either loosely or tightly linked with the other institutions in the prevailing international order.

In unipolarity, an international order can take one of two forms—agnostic or

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Subjectivity of the 'Democratic' Peace: Changing U.S. Perceptions of Imperial Germany," *International Security*, Vol. 20, No. 2 (Fall 1995), pp. 147–184, doi.org/10.2307/2539232.



ideological—depending on the political ideology of the leading state. The key issue is whether the unipole has a universalistic ideology, one that assumes that its core values and its political system should be exported to other countries. If the unipole makes this assumption, the world order will be ideological. The sole pole, in other words, will try to spread its ideology far and wide and remake the world in its own image. It would be well positioned to pursue that mission, because there are no rival great powers with which it must compete.

Liberalism, of course, contains within it a powerful universalistic strand, which stems from its emphasis on the importance of individual rights. The liberal story, which is individualistic at its core, maintains that every person has a set of inalienable or natural rights. As such, liberals tend to be deeply concerned about the rights of people all around the world, regardless of which country they live in. Thus, if the unipole is a liberal democracy, it is almost certain to try to create an international order that aims to reshape the world in its own image.<sup>10</sup>

What does a liberal international order look like? The dominant state in the system obviously must be a liberal democracy and must have enormous influence within the key institutions that populate the order. Furthermore, there must be a substantial number of other liberal democracies in the system and a largely open world economy. The ultimate goal of these liberal democracies, especially the leading one, is to spread democracy across the globe, while promoting greater economic intercourse and building increasingly powerful and effective international institutions. In essence, the aim is to create a world order consisting exclusively of liberal democracies that are economically engaged with each other and bound together by sets of common rules. The underlying assumption is that such an order will be largely free of war and will generate prosperity for all of its member states.

Communism is another universalistic ideology that could serve as the basis for building an ideological international order. Indeed, Marxism shares some important similarities with liberalism. As John Gray puts it, “Both were enlightened ideologies that look forward to universal civilization.”<sup>11</sup> Both liberalism and communism, in other words, are bent on transforming the world. Communism’s universalistic dimension is based on the concept of class, not rights. Marx and his followers maintain that social classes transcend national groups and state borders. Most importantly, they argue that capitalist exploita-

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10. See John J. Mearsheimer, *The Great Delusion: Liberal Dreams and International Realities* (New Haven, Conn.: Yale University Press, 2018).

11. John Gray, *Black Mass: Apocalyptic Religion and the Death of Utopia* (New York: Farrar, Straus and Giroux, 2007), p. 30.



tion has helped foster a powerful bond among the working classes in different countries. Hence, if the Soviet Union had won the Cold War and had felt the kind of enthusiasm for Marxism in 1989 that the United States felt for liberal democracy, Soviet leaders surely would have tried to build a communist international order.

If the unipole does not have a universalistic ideology, and therefore is not committed to imposing its political values and governing system on other countries, the international order would be agnostic.<sup>12</sup> The dominant power would still target regimes that challenged its authority and would still be deeply involved in both managing the institutions that make up the international order and molding the world economy to fit with its own interests. It would not, however, be committed to shaping local politics on a global scale. The sole pole would instead be more tolerant and pragmatic in its dealings with other countries. If Russia, with its present political system, were ever to become a unipole, the international system would be agnostic, as Russia is not driven by a universalistic ideology. The same is true of China, where the regime's principal source of legitimacy is nationalism, not communism.<sup>13</sup> This is not to deny that some aspects of communism still have political importance for China's rulers, but the leadership in Beijing displays little of the missionary zeal that usually comes with communism.<sup>14</sup>

#### THICK AND THIN ORDERS

So far, I have distinguished between international and bounded orders, and I have divided international orders into realist, agnostic, and ideological kinds. A third way to categorize orders—be they international or bounded—is to focus on the breadth and depth of their coverage of the most important areas of state activity. Regarding breadth, the central question is whether an order has some effect on the key economic and military activities of its member states. Concerning depth, the main question is whether the institutions in the order exert significant influence on the actions of its member states. In other words, does the order have strong and effective institutions?

With these two dimensions in mind, one can distinguish between thick or-

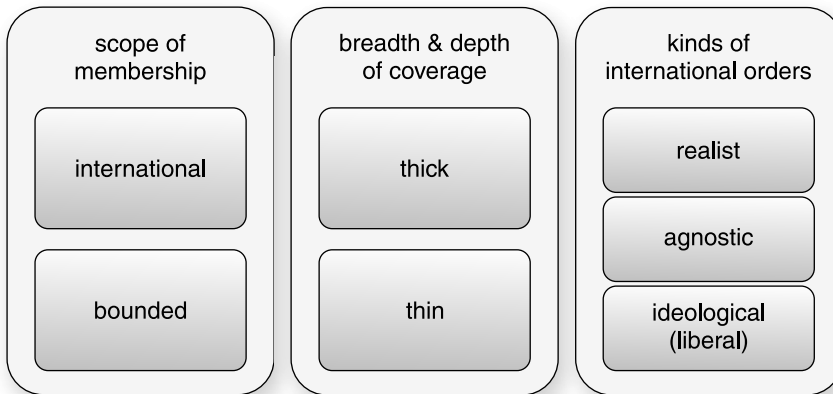
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12. In using the word "agnostic" to describe this kind of order, I am not saying that the unipole cares little about its own ideology or does not have one. In fact, it may be seriously committed to a particular ideology at home, but it will be largely noncommittal—agnostic—about the ideology that other states adopt.

13. See Zheng Wang, *Never Forget National Humiliation: Historical Memory in Chinese Politics and Foreign Relations* (New York: Columbia University Press, 2012); and Suisheng Zhao, "Foreign Policy Implications of Chinese Nationalism Revisited: The Strident Turn," *Journal of Contemporary China*, Vol. 22, No. 82 (July 2013), pp. 535–553, doi.org/10.1080/10670564.2013.766379.

14. Timothy R. Heath, *China's New Governing Party Paradigm* (New York: Ashgate, 2014); and David Shambaugh, *China's Communist Party: Atrophy and Adaptation* (Berkeley: University of California Press, 2008).

Figure 1. A Typology of Orders



ders and thin orders. A thick or robust order comprises institutions that have a substantial effect on state behavior in both the economic and military realms. Such an order is broad and deep. A thin order, on the other hand, can take three basic forms. First, it might deal with only the economic or military domain, but not both. Even if that realm contained strong institutions, it would still be categorized as a thin order. Second, an order might deal with one or even both realms, but contain weak institutions. Third, it is possible, but unlikely, that an order will be involved with economic and military matters, but will have strong institutions in only one of those areas. In short, a thin order is either not broad, not deep at all, or deep in only one of the two crucial realms. Figure 1 summarizes the different categories of orders employed in this article.

### *The Rise and Decline of International Orders*

No international order lasts forever, which raises the question: What explains the demise of an existing order and the rise of a new one? The same two factors that account for the prevailing order, the distribution of power and the leading state's political ideology, explain the fall of realist and agnostic orders as well as the kind of order that replaces them. While those same factors also help explain the dissolution of ideological orders, two other factors, nationalism and balance of power politics, usually play the central role in causing their collapse.

Realist orders, which are based on either bipolarity or multipolarity, collapse when the underlying distribution of power changes in fundamental ways. If

the international system shifts from bipolarity to multipolarity or vice versa, or if the number of great powers in a multipolar system decreases or increases, the resulting order remains realist, although different in its configuration. Regardless of the number of great powers in the system, they still must compete with each other for power and influence. But if bipolarity or multipolarity gives way to unipolarity, the new order will be either agnostic or ideological, depending on whether or not the sole pole is committed to a universalistic ideology.

Realist orders tend to have significant staying power, because major shifts in the balance of power are usually the result of differential economic growth among the great powers over a long period of time. Great power wars, however, can sometimes lead to a swift change in the global distribution of power, although such events are rare.<sup>15</sup> After World War II, for example, the system shifted from multipolar to bipolar, largely because of the total defeat of Germany and Japan and the terrible price the war exacted on Britain and France. The Soviet Union and the United States emerged as the two poles. Moreover, when realist orders change, they usually give way to newly configured realist orders—as happened after World War II—simply because unipolarity is rare.

Agnostic orders also tend to have substantial staying power, because the unipole accepts the heterogeneity that is inherent in political and social life and does not try to micromanage the politics of nearly every country on the planet. That kind of pragmatic behavior helps preserve, if not augment, the hegemon's power. An agnostic order is likely to meet its end when unipolarity gives way to either bipolarity or multipolarity, making the order realist; or if the sole pole experiences a revolution at home and adopts a universalistic ideology, which would surely lead it to forge an ideological order.

By contrast, any ideological international order based on a universalistic ideology, such as liberalism or communism, is destined to have a short life span, mainly because of the domestic and global difficulties that arise when the unipole seeks to remake the world in its own image. Nationalism and balance of power politics work to undermine the requisite social engineering in countries targeted for regime change, while nationalism also creates significant problems on the home front for the sole pole and its ideological allies. When such problems emerge, the unipole is likely to give up trying to remake the world in its own image, in effect abandoning its efforts to export its ideology abroad. It might even forsake that ideology altogether. When that happens, the order stops being ideological and becomes agnostic.

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15. Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1983); and Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987).

An ideological order can also come to an end in a second way. New great powers could emerge, which would undermine unipolarity and lead to either a bipolar or a multipolar system. In that event, the ideological order would be replaced by bounded and international realist orders.

### *The Cold War Orders, 1945–89*

The global distribution of power from 1945 to 1989 was bipolar, which led to the formation of three principal political orders. There was an overarching international order that was largely created and maintained by the Soviet Union and the United States for purposes of facilitating cooperation between them when they had common interests. This emphasis on cooperation notwithstanding, it was not a liberal order, as the superpowers were engaged in intense rivalry throughout the Cold War, and the order they created was fully consistent with the security interests of both sides. Moreover, the Soviet Union was not a liberal democracy, and indeed Moscow and Washington were ideological adversaries. There were also two bounded orders, one largely confined to the West and dominated by the United States, the other consisting mainly of the world's communist countries and dominated by the Soviet Union. They were created by the superpowers for purposes of waging security competition with each other.

The international order that existed during the Cold War was a thin one, as it did not have a pronounced influence on the behavior of states—especially the great powers—in either the economic or military realm. Because the West and the communist world engaged in only minimal economic intercourse during the Cold War, there was little need to build institutions to help manage their economic dealings.<sup>16</sup> Militarily, however, the story was more complicated. Given that the United States and the Soviet Union were bitter foes that competed for power, they concentrated on building thick bounded orders to help wage that struggle. Thus, the main military institutions that each superpower created—NATO and the Warsaw Pact—were not international in scope. They were instead the key elements in the U.S.-led and Soviet-led bounded orders.

Nevertheless, the United States and the Soviet Union sometimes had good reasons to cooperate and negotiate arms control agreements that served their mutual interests. Most importantly, they worked together to craft institutions designed to prevent nuclear proliferation. They also reached agreements

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16. In fact, the United States established the Coordinating Committee for Multilateral Export Controls (CoCom) in the early Cold War to limit East-West trade. Michael Mastanduno, *Economic Containment: CoCom and the Politics of East-West Trade* (Ithaca, N.Y.: Cornell University Press, 1992).

aimed at limiting the arms race so as to save money, ban destabilizing weapons, and avoid competition in areas such as Antarctica. Finally, they concluded agreements aimed at establishing “rules of the road” and confidence-building measures. In the process, Moscow and Washington helped strengthen the Cold War international order, although it remained a thin order.

Both superpowers opposed further proliferation as soon as they acquired the bomb. Although the United States tested the first atomic weapon in 1945 and the Soviet Union followed suit in 1949, they did not put in place a set of institutions that could seriously limit the spread of nuclear weapons until the mid-1970s. The first step forward was the creation of the International Atomic Energy Agency in 1957. Its primary mission is to promote the civilian use of nuclear energy, but with safeguards that ensure that states receiving nuclear materials and technologies for peaceful purposes do not use them to build a bomb. The key institutions that the superpowers devised to curb proliferation are the NPT and the Nuclear Suppliers Group, which, along with the International Atomic Energy Agency, markedly slowed the spread of nuclear weapons after 1975.

The United States and the Soviet Union also began pursuing an arms control agreement in the late 1960s that would put limits on their strategic nuclear arsenals. The result was the 1972 Strategic Arms Limitation Treaty (SALT I), which capped the number of strategic nuclear weapons each side could deploy (although at very high levels) and severely restricted the development of anti-ballistic missile systems. Moscow and Washington signed the SALT II Treaty in 1979, which put further limits on each side’s strategic nuclear arsenal, although neither side ratified it. The superpowers worked on a follow-on agreement, the Strategic Arms Reduction Treaty, during the 1980s, but it was not put into effect until after the Cold War ended. The other significant arms control agreement was the 1988 Intermediate-Range Nuclear Forces Treaty, which eliminated all short-range and intermediate-range missiles from the Soviet and U.S. arsenals.

The superpowers negotiated a host of other less significant security agreements and treaties that were also part of the Cold War international order. They include the Antarctic Treaty System (1959), the Partial Test Ban Treaty (1963), the Moscow-Washington Hot Line (1963), the Outer Space Treaty (1967), the Seabed Arms Control Treaty (1971), the U.S.-Soviet Incidents at Sea Agreement (1972), the Conference on Security and Cooperation in Europe (1973), the Biological Weapons Convention (1975), and the Helsinki Accords (1975). There were some agreements that were reached during the Cold War, such as the UN Convention on the Law of the Sea, which was signed in 1982, but not ratified and put into effect until 1994, five years after the Cold War ended.

The UN was probably the most visible institution in the Cold War international order, but it had little influence on the behavior of countries around the world, mainly because the rivalry between the superpowers made it almost impossible for that institution to adopt and enforce consequential policies.

In addition to this thin international order, the superpowers each built a thick bounded order to help wage the Cold War. The Soviet-led order included institutions that dealt with economic, military, and ideological matters.<sup>17</sup> The Council for Mutual Economic Assistance (Comecon), for example, was established in 1949 to facilitate trade between the Soviet Union and the communist states in Eastern Europe. The Warsaw Pact was a military alliance founded in 1955 to counter NATO after NATO's member states decided to invite West Germany to join the alliance. The Pact also helped Moscow keep its Eastern European allies in line. Finally, the Soviets created the Communist Information Bureau in 1947 as a successor to the Communist International. Both were designed to coordinate the efforts of communist parties around the world, mainly for the purpose of allowing the Soviets to purvey their policy views to their ideological brethren. The Communist Information Bureau was dissolved in 1956.

The bounded Western order was dominated by the United States, which shaped it to suit its own interests. It encompassed a host of economic institutions such as the IMF (1945), the World Bank (1945), the General Agreement on Trade and Tariffs (GATT, 1947), the Coordinating Committee for Multilateral Export Controls (CoCom, 1950), and the European Community (EC, 1950), as well as NATO on the security front. Although the liberal United States dominated this bounded order, which also included a number of other liberal democracies, it was a realist order from top to bottom. Its primary mission was to create a powerful West that could contain and ultimately defeat the Soviet Union and its allies.

This emphasis on security notwithstanding, generating prosperity was an important end in itself for the countries in this bounded order. Moreover, there were some aspects of this realist order that are compatible with liberal principles. For instance, there is little doubt that *ceteris paribus* U.S. policymakers preferred dealing with democracies to authoritarian states. But promoting democracy always yielded when it conflicted with the dictates of balance of power politics. The United States did not preclude non-democracies from joining NATO or throw out countries that abandoned democracy once they joined, as the cases of Greece, Portugal, and Turkey illustrate.

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17. Laurien Crump and Simon Godard, "Reassessing Communist International Organizations: A Comparative Analysis of COMECON and the Warsaw Pact in Relation to Their Cold War Competitors," *Contemporary European History*, Vol. 27, No. 1 (February 2018), pp. 85–109, doi.org/10.1017/S0960777317000455.

Moreover, although Washington tended to favor economic policies that encouraged free trade and investment among the order's members, those policies were guided foremost by strategic considerations. As Joanne Gowa notes, "That the East-West conflict drove the United States to merge the high politics of security and the low politics of trade is a theme that emerges repeatedly in the work of those scholars who both defined and developed the subfield of international political economy."<sup>18</sup> In fact, the Dwight Eisenhower administration, which generally believed that free trade is the best way to create economic and military might, was prepared in the mid-1950s to allow the EC to become a closed economic bloc—that is, to undermine free trade—because it thought that an illiberal arrangement of this kind would make Western Europe a more powerful partner in the Cold War.<sup>19</sup> Furthermore, the Marshall Plan was motivated mainly by strategic considerations. And as Sebastian Rosato shows, power politics underpinned the making of the EC, the forerunner of the EU.<sup>20</sup>

### *The Liberal International Order, 1990–2019*

After the Cold War ended and the Soviet Union collapsed, the United States was by far the most powerful country in the world. The "unipolar moment" had arrived, which meant that most of the constraints that arise from security competition between great powers were gone.<sup>21</sup> Moreover, the thick Western order that the United States had created to deal with the Soviet Union remained firmly intact, while the Soviet order quickly fell apart. Comecon and the Warsaw Pact dissolved in the summer of 1991, and the Soviet Union collapsed in December 1991. Unsurprisingly, President George H.W. Bush decided to take the realist Western order and spread it across the globe, transforming it into a liberal international order. The institutions that had made up the thin Cold War-era international order—the UN and the various

18. Joanne Gowa, *Allies, Adversaries, and International Trade* (Princeton, N.J.: Princeton University Press, 1994), p. 3.

19. Pascaline Winand, *Eisenhower, Kennedy, and the United States of Europe* (New York: St. Martin's, 1993), pp. 109–137. The United States cared greatly about relative gains in its dealings with the Soviet Union, as relative gains and losses are largely synonymous with shifts in the balance of power. But Washington paid little attention to relative gains when dealing with its West European allies and focused instead on maximizing their absolute gains, not because U.S. policymakers were motivated by liberal thinking, but because the more powerful U.S. allies were, the better suited they were to help contain the Soviet Union.

20. Melvyn P. Leffler, "The United States and the Strategic Dimensions of the Marshall Plan," *Diplomatic History*, Vol. 12, No. 3 (Summer 1988), pp. 277–306, doi.org/10.1111/j.1467-7709.1988.tb00477.x; and Sebastian Rosato, *Europe United: Power Politics and the Making of the European Community* (Ithaca, N.Y.: Cornell University Press, 2011).

21. Charles Krauthammer, "The Unipolar Moment," *Foreign Affairs*, Vol. 70, No. 1 (1990/91), pp. 23–33, doi.org/10.2307/20044692.



arms control agreements—would be incorporated into what Bush called the “new world order.”<sup>22</sup>

This remarkably ambitious endeavor enjoyed the enthusiastic support of the liberal democracies in East Asia and especially Western Europe, although there was never any doubt that the United States was in charge. As Bush put it in 1990, “There is no substitute for American leadership.”<sup>23</sup> Or as Secretary of State Madeleine Albright and President Barack Obama liked to say, the United States is “the indispensable nation.”<sup>24</sup> In essence, Bush and his successors in the White House were bent on creating a new international order that was fundamentally different from the Western order that had existed during the Cold War. Specifically, they were committed to transforming a bounded realist order into an international liberal order.<sup>25</sup> Indeed, Bill Clinton made it clear when he ran for president in 1992 that his predecessor’s concept of a new world order was not ambitious enough.<sup>26</sup>

Creating a liberal international order involved three main tasks. First, it was essential to expand the membership in the institutions that made up the Western order, as well as erect new institutions where necessary. In other words, it was important to build a web of international institutions with universal membership that wielded great influence over the behavior of the member states. Second, it was imperative to create an open and inclusive international economy that maximized free trade and fostered unfettered capital markets. This hyperglobalized world economy was intended to be much more ambitious in scope than the economic order that prevailed in the West during the Cold War. Third, it was crucial to vigorously spread liberal democracy around the world, a mission that was frequently shortchanged when the United States was competing for power with the Soviet Union. This goal was not the United States’ alone; its European allies generally embraced this undertaking as well.<sup>27</sup>

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22. Bush first laid out his vision before a joint session of Congress on September 11, 1990. President George H.W. Bush, “Address before a Joint Session of the Congress on the Persian Gulf Crisis and the Federal Budget Deficit,” September 11, 1990, <https://bush41library.tamu.edu/archives/public-papers/2217>.

23. Ibid.

24. Albright made this statement on NBC’s *The Today Show*. Madeleine K. Albright, interview by Matt Lauer, *Today Show*, February 19, 1998. For Obama’s use, see Barack Obama, “Remarks by the President at the United States Military Academy Commencement Ceremony” (Washington, D.C.: White House, May 28, 2014).

25. The one important similarity between the new liberal international order and the bounded realist Western order is that both represent thick orders.

26. See David C. Hendrickson, “The Recovery of Internationalism,” *Foreign Affairs*, Vol. 73, No. 5 (September/October 1994), pp. 26–27, doi.org/10.2307/20046829.

27. Europe’s enthusiasm for this mission is reflected in the policies of the Organization for Security and Co-operation in Europe (OSCE). See Pamela Jawad, “Conflict Resolution through Democracy Promotion? The Role of the OSCE in Georgia,” *Democratization*, Vol. 15, No. 3 (June 2008), pp. 611–629, doi.org/10.1080/13510340801972288.

These three tasks, of course, are directly tied to the principal liberal theories of peace: liberal institutionalism, economic interdependence theory, and democratic peace theory. Thus, in the minds of its architects, constructing a robust, sustainable liberal international order was synonymous with creating a peaceful world. This deep-seated belief gave the United States and its allies a powerful incentive to work assiduously to create that new order. Integrating China and Russia into it was especially important for its success, because they were the most powerful states in the system after the United States. The goal was to embed them in as many institutions as possible, fully integrate them into the open international economy, and help turn them into liberal democracies.

NATO expansion into Eastern Europe is a good example of the United States and its allies working to turn the bounded Western order into a liberal international order.<sup>28</sup> One might think that moving NATO eastward was part of a classic deterrence strategy aimed at containing a potentially aggressive Russia.<sup>29</sup> But it was not, as the West's strategy was geared toward liberal ends. The objective was to integrate the countries of Eastern Europe—and maybe, one day, Russia as well—into the “security community” that had developed in Western Europe during the Cold War. There is no evidence that its chief architects—Presidents Clinton, Bush, and Obama—thought that Russia might invade its neighbors and thus needed to be contained, or that they thought Russian leaders had legitimate reasons for fearing NATO enlargement.<sup>30</sup>

This liberal approach to NATO expansion is reflected in how the Clinton administration sold that policy to the U.S. and West European publics. For example, Deputy Secretary of State Strobe Talbott argued in 1995 that embedding the countries of Eastern Europe in NATO—as well as the European Union—was the key to producing stability in that potentially volatile region. “Enlarge-

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28. Enlarging NATO was actually the core element in a broader strategy that also included expanding the European Union and promoting the so-called color revolutions in Eastern Europe to spread democracy. See John J. Mearsheimer, “Why the Ukraine Crisis Is the West's Fault: The Liberal Delusions That Provoked Putin,” *Foreign Affairs*, Vol. 93, No. 5 (September/October 2014), pp. 77–89, <https://www.jstor.org/stable/24483306>.

29. Some analysts made this argument after the Ukraine crisis broke out in February 2014. For example, Stephen Sestanovich claims that “today's aggressive Russian policy was in place” in the early 1990s and that “power calculations undergirded” U.S. policy toward Russia—to include NATO expansion—from that point forward. See Sestanovich's response, “How the West Has Won,” in Michael McFaul, Stephen Sestanovich, and John J. Mearsheimer, “Faulty Powers: Who Started the Ukraine Crisis?” *Foreign Affairs*, Vol. 93, No. 6 (November/December 2014), pp. 171, 173, <https://www.jstor.org/stable/24483933>. NATO enlargement, from this perspective, is a realist policy. The available evidence, however, contradicts this interpretation of events. Russia was in no position to take the offensive in the 1990s, and although its economy and military improved somewhat after 2000, hardly anyone in the West saw it as a serious threat to invade its neighbors—including Ukraine—before the February 2014 crisis. In fact, Russia had few large-scale combat units on or near its western border, and no serious Russian policymaker or pundit talked about conquering territory in Eastern Europe. Thus, it is unsurprising that U.S. leaders rarely invoked the threat of Russian aggression to justify NATO expansion.

30. Ikenberry, *After Victory*, pp. 235–239, 245–246, 270–273.

ment of NATO," Talbott argued, "would be a force for the rule of law both within Europe's new democracies and among them." Moreover, it would "promote and consolidate democratic and free market values," which would further contribute to peace.<sup>31</sup>

The United States based its policy toward China in the post-Cold War period on the same liberal logic. For example, Secretary of State Albright maintained that the key to sustaining peaceful relations with a rising China is to engage with it, not try to contain it the way the United States had sought to do with the Soviet Union during the Cold War. Engagement, Albright claimed, would lead to China's active membership in some of the world's major institutions and help integrate it into the U.S.-led economic order, which would inevitably help turn China into a liberal democracy. China would then be a "responsible stakeholder" in the international system, highly motivated to maintain peaceful relations with other countries.<sup>32</sup>

The Bush Doctrine, which was developed over the course of 2002 and used to justify the March 2003 invasion of Iraq, is a third example of a major U.S. policy aimed at building a liberal international order. In the wake of the September 11, 2001, terrorist attacks, the Bush administration concluded that winning the so-called global war on terror required not only defeating al-Qaida, but also confronting countries such as Iran, Iraq, and Syria. The administration's key operating assumption was that the regimes in these purported rogue states were closely tied to terrorist organizations such as al-Qaida, were bent on acquiring nuclear weapons, and might even give them to terrorists.<sup>33</sup>

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31. Strobe Talbott, "Why NATO Should Grow," *New York Review of Books*, August 10, 1995, pp. 27–28. Talbott's views on NATO expansion were widely shared in the upper echelons of the Clinton administration. See Secretary of State Warren M. Christopher, "Reinforcing NATO's Strength in the West and Deepening Cooperation with the East," opening statement at the North Atlantic Council Ministerial Meeting, Noordwijk, the Netherlands, May 30, 1995; Secretary of State Madeleine K. Albright, "A Presidential Tribute to Gerald Ford," Ford Museum Auditorium, Grand Rapids, Michigan, April 17, 1997; and Secretary of State Madeleine K. Albright, "Commencement Address," Harvard University, Cambridge, Massachusetts, June 5, 1997.

32. Secretary of State Madeleine K. Albright, "American Principle and Purpose in East Asia," 1997 Forrester Lecture, U.S. Naval Academy, Annapolis, Maryland, April 15, 1997. See also Secretary of State Warren M. Christopher, "America and the Asia-Pacific Future," address to the Asia Society, New York City, May 27, 1994; White House, "A National Security Strategy of Engagement and Enlargement" (Washington, D.C.: White House, February 1995), pp. 28–29, <http://nssarchive.us/NSSR/1995.pdf>; and White House, "A National Security Strategy for a New Century" (Washington, D.C.: White House, October 1998), pp. 41–47, <http://nssarchive.us/NSSR/1998.pdf>. Deputy Secretary of State Robert B. Zoellick first introduced the term "responsible stakeholder" in 2005. Zoellick, "Whither China? From Membership to Responsibility," remarks to the National Committee on U.S.-China Relations, New York City, September 21, 2005.

33. President Bush said shortly before the invasion of Iraq in March 2003 that "the greatest danger in the war on terror [is] outlaw regimes arming with weapons of mass destruction." American Enterprise Institute (AEI), "President George W. Bush Speaks at AEI's Annual Dinner," February 28, 2003, <http://www.aei.org/publication/president-george-w-bush-speaks-at-aeis-annual-dinner>. On the Bush Doctrine, see White House, *The National Security Strategy of the United States*

The best way to deal with proliferation and terrorism, the administration reasoned, was to turn all the countries in the Greater Middle East into liberal democracies, which would transform that region into a giant zone of peace, thereby eliminating the twin problems of proliferation and terrorism.<sup>34</sup> “The world has a clear interest in the spread of democratic values,” President Bush declared, “because stable and free nations do not breed the ideologies of murder. They encourage the peaceful pursuit of a better life.”<sup>35</sup>

It appeared to many observers in the early 1990s that the United States was well situated to construct a liberal international order. It had abundant experience building and running the Western order during the Cold War, and it was remarkably powerful compared to its potential rivals. China was in the early stages of its rise, and Russia was in a state of complete disarray, which remained the case throughout the 1990s. This huge power advantage meant that the unipole could largely ignore realist dictates and act according to liberal principles, which was impossible during the Cold War. It also meant that the United States could coax or coerce other states into following its edicts. And of course, there was always the possibility that Washington would use force to get its way.

Finally, the United States and its allies had abundant legitimacy in the years immediately after the Cold War ended. Not only did they win that protracted conflict, but there seemed to be no viable alternative to liberal democracy, which looked like the optimal political order for the foreseeable future. It was widely believed in the West at the time that eventually almost every country in the world would become a liberal democracy—a belief that led Francis Fukuyama to conclude that this might be “the end of history.”<sup>36</sup> Moreover, the wide array of international institutions that had helped produce abundant prosperity in the West during the Cold War appeared to be ideally suited to

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(Washington, D.C.: White House, September 17, 2002), <https://www.state.gov/documents/organization/63562.pdf>.

34. One might think that NATO expansion, U.S. efforts to turn China into a liberal democracy, and the Bush Doctrine are all evidence of untethered realism that unipolarity made possible. This conclusion would be wrong, however. It is clear from the discourse in policymaking circles and within the foreign policy establishment that these policies were motivated by liberal theories and that the United States and its allies in the West were firmly committed to building a liberal international order that would transcend balance of power politics. Almost all realists, it is worth noting, opposed NATO expansion, the Iraq War, and the Bush Doctrine. Moreover, they favored emphasizing containment over engagement in dealing with China. If the United States had been guided by realist logic in the aftermath of the Cold War, it would have sought to create an agnostic international order and pursued the policies advocated by realist thinkers. See Stephen M. Walt, *The Hell of Good Intentions: America's Foreign Policy Elite and the Decline of U.S. Primacy* (New York: Farrar, Straus and Giroux, 2018), pp. 266–269.

35. AEI, “President George W. Bush Speaks at AEI’s Annual Dinner.”

36. Francis Fukuyama, “The End of History?” *National Interest*, No. 16 (Summer 1989), pp. 3–18, <https://www.jstor.org/stable/24027184>.

take globalization to the next step. In essence, it looked like the United States was well positioned to pursue liberal hegemony, a foreign policy that called for building a world order based on liberal principles.<sup>37</sup>

During the 1990s and the early 2000s, the United States and its close allies appeared to be well on their way to fashioning a full-scale liberal international order. There were certainly problems, but generally speaking the emerging order was working nicely. Few people expected that it would begin to unravel a few years into the new millennium, but that is what happened.

### *The Golden Years, 1990–2004*

Efforts by the United States and its allies to integrate China and Russia into the order's key economic institutions after the Cold War ended were generally successful. Russia joined the IMF and the World Bank in 1992, although it did not join the World Trade Organization (WTO) until 2012. China had been a member of the IMF and the World Bank since 1980, when it took Taiwan's place in those institutions. China joined the WTO in 2001. Despite a minor crisis over Taiwan in 1997, Beijing and Washington were otherwise on good terms throughout the 1990s and early 2000s. Engagement appeared to be working. Relations between Moscow and Washington also fared well during this period.

The story in Europe was also positive. The 1992 Maastricht Treaty was a major step in promoting European integration, and in 1999 the euro made its debut, which was widely seen as evidence that the EU had a bright future. Furthermore, the early waves of EU and NATO expansion into Eastern Europe occurred with few problems, although Russian policymakers made their opposition clear. Finally, both Czechoslovakia and the Soviet Union broke apart peacefully. Yugoslavia did not, however, resulting in wars over Bosnia and Kosovo, which the United States and its NATO allies were slow to respond to and bring to an end. But a cold peace was eventually imposed on the Balkans by 1999.

Developments in the Greater Middle East were more mixed, but even there it appeared that the region was slowly but steadily being incorporated into the liberal international order. Israel and the Palestine Liberation Organization signed the Oslo Accords in September 1993, giving hope that the two sides might find a peaceful solution to their conflict by the end of the decade. The United States, operating with a UN Security Council mandate, led a broad coalition of allies to a stunning military victory over Iraq in early 1991—liberating Kuwait, significantly weakening Iraq's military, and exposing

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37. Mearsheimer, *The Great Delusion*, pp. 120–151; and Walt, *The Hell of Good Intentions*, pp. 21–52.

Saddam Hussein's secret nuclear weapons program, which was then shut down. Nevertheless, the Baathist regime maintained power. Afghanistan also remained a trouble spot, mainly because the Taliban allowed al-Qaida to plan its operations there, including the September 11 terrorist attacks, without interference. The events of that day, however, prompted the United States to invade Afghanistan in October 2001 and topple the Taliban, putting in its place a pro-Western regime. Then, in March 2003, the U.S. military conquered Iraq and removed Saddam from power. It appeared by the summer of 2003 that the Bush Doctrine, which aimed to spread democracy across the Greater Middle East, was going to work as intended.

Democracy was clearly on the march in the wake of the Cold War, seemingly confirming Fukuyama's claim that there was no viable alternative to it. According to Freedom House, 34 percent of the countries in the world were democracies in 1986. That figure jumped to 41 percent by 1996 and then 47 percent by 2006.<sup>38</sup> On the economic front, hyperglobalization was generating abundant wealth around the globe, although there was a major financial crisis in Asia in 1997–98. In addition, interest was growing in prosecuting human rights violators, leading a prominent scholar to write a book titled *The Justice Cascade: How Human Rights Prosecutions Are Changing World Politics*.<sup>39</sup> On the proliferation front, South Africa abandoned its nuclear weapons program in 1989, while in the mid-1990s, Belarus, Kazakhstan, and Ukraine gave up the nuclear arsenals they had inherited from the Soviet Union and joined the NPT. North Korea, which was on its way to developing nuclear weapons in the early 1990s, agreed in 1994 to terminate its program.

The United States and its allies did face some setbacks during the 1990s. India and Pakistan tested nuclear weapons in 1998; the Clinton administration suffered policy failures in Somalia (1993) and Haiti (1994–95); and it reacted too slowly to the Rwandan genocide in 1994. The United States also failed to end deadly wars in Congo and Sudan, while al-Qaida grew more dangerous within the confines of Afghanistan. Still, one could make a strong case that enormous progress had been made in a short time in spreading the liberal international order across the globe and that the United States and its allies would eventually be able to integrate troubled countries in Africa and elsewhere into the new order and make further strides in rolling back proliferation.

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38. Arch Puddington and Tyler Roylance, "Populists and Autocrats: The Dual Threat to Global Democracy," in Freedom House, "Freedom in the World, 2017" (Washington, D.C.: Freedom House, 2017), p. 4.

39. Kathryn Sikkink, *The Justice Cascade: How Human Rights Prosecutions Are Changing World Politics* (New York: W.W. Norton, 2011). See also Sarah B. Snyder, *From Selma to Moscow: How Human Rights Activists Transformed U.S. Foreign Policy* (New York: Columbia University Press, 2018).



### *The Liberal Order Goes Downhill, 2005–19*

Midway through the first decade of the 2000s, serious cracks began to appear in the liberal international order, which have since steadily widened. Consider what has happened in the Greater Middle East. By 2005, it was evident that the Iraq War was becoming a disaster, and the United States had no strategy for stopping the fighting, much less turning Iraq into a liberal democracy. At the same time, the situation in Afghanistan began to deteriorate, as the Taliban came back from the dead and took aim at the U.S.-installed government in Kabul. The Taliban has grown stronger with time, and the war in Afghanistan is now the longest war in U.S. history, lasting longer than the American Civil War, World War I, World War II, and the Korean War combined. Moreover, there is no apparent path to victory for the United States. In addition, Washington and its allies pursued regime change in Libya and Syria, which ended up helping precipitate deadly civil wars in both countries. Furthermore, in the process of helping wreck Iraq and Syria, the Bush and Obama administrations played a crucial role in creating the Islamic State of Iraq and Syria, which the United States went to war against in 2014.

The Oslo Peace Process, which once seemed so promising, has failed, and the Palestinians have virtually no hope of acquiring their own state. With Washington's help, Israeli leaders are instead creating a Greater Israel, which, as two former Israeli prime ministers have said, will be an apartheid state.<sup>40</sup> The United States is also contributing to the death and destruction in the civil war in Yemen, and gave its consent when the Egyptian military overthrew a democratically elected government in Egypt in 2013. Far from incorporating the Greater Middle East into the liberal international order, the United States and its allies inadvertently have played a central role in spreading illiberal disorder in that region.

Europe, which appeared to be the brightest star in the liberal galaxy during the 1990s, was in serious trouble by the late 2010s. The EU suffered a major setback in 2005 when French and Dutch voters rejected the proposed Treaty for Establishing a Constitution for Europe. Even more damaging was the Eurozone crisis, which began in late 2009 and lingers on. Not only has the crisis exposed the fragility of the euro, but it also created intense animosity between Germany and Greece, among other political problems.<sup>41</sup> To make

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40. Rory McCarthy, "Barak: Make Peace with Palestinians or Face Apartheid," *Guardian*, February 2, 2010, <https://www.theguardian.com/world/2010/feb/03/barak-apartheid-palestine-peace>; and Rory McCarthy, "Israel Risks Apartheid-Like Struggle If Two-State Solution Fails, Says Olmert," *Guardian*, November 30, 2007, <https://www.theguardian.com/world/2007/nov/30/israel>.

41. Claudia Sternberg, Kira Gartzou-Katsouyanni, and Kalypso Nicolaidis, *The Greco-German Affair in the Euro Crisis: Mutual Recognition Lost?* (London: Palgrave Macmillan, 2018).



matters worse, Britain voted in June 2016 to exit the EU, and xenophobic right-wing parties are growing more powerful across Europe. Indeed, fundamentally illiberal views are commonplace among leaders in Eastern Europe. As a January 2018 article in the *New York Times* put it: “The Czech president has called Muslim immigrants criminals. The head of Poland’s governing party has said refugees are riddled with disease. The leader of Hungary has described migrants as poison . . . [and] Austria’s new far-right interior minister suggested concentrating migrants in asylum centers—with all its obvious and odious echoes of World War II.”<sup>42</sup>

Finally, a civil war began in 2014 in Eastern Ukraine that involves Russia, which seized Crimea from Ukraine in March 2014, causing a serious deterioration in relations between Russia and the West. Both sides have built up their military forces in Eastern Europe and routinely engage in military exercises that escalate suspicions and tensions between them. This crisis, which largely resulted from EU and NATO expansion, coupled with the West’s efforts to promote democracy in countries such as Georgia and Ukraine, and maybe even Russia itself, shows no signs of ending anytime soon.<sup>43</sup> Given this state of affairs, Moscow is on the lookout for opportunities to sow discord in the West and weaken the EU and NATO.

Cracks have also opened up in the transatlantic relationship, especially with Trump’s arrival in the White House. Trump is contemptuous of almost all the institutions that make up the liberal international order, including the EU and NATO, which he famously described as “obsolete” during the 2016 campaign.<sup>44</sup> In a letter sent to European leaders shortly after Trump assumed office, a leading EU policymaker said that the new president posed a serious threat to the EU’s future.<sup>45</sup> A few months later, just after Trump moved into the White House, German Chancellor Angela Merkel, a deeply committed Atlanticist, warned that Europe could not depend on the United States the way it once did. Europeans, she said, “really must take our fate into our own hands.”<sup>46</sup> Transatlantic relations have only worsened since then, and the likelihood of a turnaround in the foreseeable future seems remote.

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42. Patrick Kingsley, “Trump’s Immigration Remarks Outrage Many, but Others Quietly Agree,” *New York Times*, January 12, 2018, <https://www.nytimes.com/2018/01/12/world/europe/trump-immigration-outrage.html>.

43. Mearsheimer, “Why the Ukraine Crisis Is the West’s Fault”; and my reply in McFaul, Sestanovich, and Mearsheimer, “Faulty Powers,” pp. 175–178.

44. Ashley Parker, “Donald Trump Says NATO Is ‘Obsolete,’ UN Is ‘Political Game,’” *New York Times*, April 2, 2016, <https://www.nytimes.com/politics/first-draft/2016/04/02/donald-trump-tells-crowd-hed-be-fine-if-nato-broke-up/>.

45. James Kanter, “Trump Threatens Europe’s Stability, a Top Leader Warns,” *New York Times*, January 31, 2017, <https://www.nytimes.com/2017/01/31/world/europe/trump-european-union-donald-tusk.html>.

46. Henry Farrell, “Thanks to Trump, Germany Says It Can’t Rely on the United States. What Does That Mean?” *Monkey Cage* blog, *Washington Post*, May 28, 2017, <https://www.washingtonpost.com>

The 2007–08 global financial crisis not only did enormous damage to many peoples' lives, but it also called into question the competence of the elites who manage the liberal international order.<sup>47</sup> In addition to the deterioration in relations between Russia and the West, there are worrying signs of potential conflict with China, which is determined to change the status quo regarding the East China Sea, the South China Sea, Taiwan, and the China-India border. Unsurprisingly, the United States is now more interested in containing rather than engaging China. In fact, the Trump administration recently said that admitting China into the WTO was a mistake, as Beijing's protectionist policies clearly show that it is unwilling to play by that institution's rules.<sup>48</sup>

Finally, the number of liberal democracies has been declining since 2006, reversing a trend that once looked unstoppable.<sup>49</sup> Relatedly, soft authoritarianism appears to have become an attractive alternative to liberal democracy, a development that was almost unthinkable in the early 1990s. And some leaders extol the virtues of illiberal democracy, while others govern countries that are committed to political systems based on deeply held religious beliefs. Of course, liberal democracy has lost some of its appeal in recent years, especially because the United States' political system often looks dysfunctional. Even serious scholars worry about the future of American democracy.<sup>50</sup>

In sum, the liberal international order is crumbling.

### *What Went Wrong?*

The early successes of the United States and its allies in building a liberal international order notwithstanding, the order contained the seeds of its own ruin. Even if Western policymakers had been wiser stewards of that order, they could not have extended its longevity in any meaningful way. It was doomed to fail because it contained three fatal flaws.

First, intervening in the politics of countries to turn them into liberal democracies is extremely difficult, and attempting such ambitious social engineering on a global scale is virtually guaranteed to backfire and undermine the legitimacy of the enterprise itself. Nationalism is almost certain to cause significant

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.com/news/monkey-cage/wp/2017/05/28/thanks-to-trump-germany-says-it-cant-rely-on-america-what-does-that-mean.

47. John Lanchester, "After the Fall," *London Review of Books*, July 5, 2018, pp. 3–8; and Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World* (New York: Viking, 2018).

48. Shawn Donnan, "U.S. Says China WTO Membership Was a Mistake," *Financial Times*, January 19, 2018, <https://www.ft.com/content/edb346ec-fd3a-11e7-9b32-d7d59aace167>.

49. Puddington and Roynance, "Populists and Autocrats," p. 4.

50. William A. Galston, *Anti-Pluralism: The Populist Threat to Liberal Democracy* (New Haven, Conn.: Yale University Press, 2018); Steven Levitsky and Daniel Ziblatt, *How Democracies Die* (New York: Crown, 2018); and Cass R. Sunstein, ed., *Can It Happen Here? Authoritarianism in America* (New York: Dey Street, 2018).

resistance inside the countries targeted for regime change. Balance of power politics will also help impede the enterprise in particular cases. States that fear regime change—or other forms of U.S. interference—will band together for mutual support and seek ways to thwart the United States' liberal agenda. Thus, Syria and Iran aided the Iraqi insurgency after the 2003 U.S. invasion, and Russia and China have backed each other economically, militarily, and within international forums such as the UN Security Council.

Second, the liberal international order ultimately creates conditions that lead to serious political problems regarding sovereignty and national identity within the liberal democracies themselves, and all the more so when efforts at regime change fail and produce large-scale refugee flows into liberal countries. Again, the principal cause of the problem is nationalism, which is far from dead even in avowedly liberal societies.

Third, hyperglobalization has produced significant economic costs for large numbers of people inside the liberal democracies, including the sole pole. Those costs, including lost jobs, declining or stagnant wages, and marked income inequality, have serious domestic political consequences, which further undermine the liberal international order. Moreover, the open international economy helped fuel the rise of China, which, along with Russia's revival, eventually undermined unipolarity, an essential condition for creating a liberal international order.

### *The Perils of Democracy Promotion*

The most important requirement for building a liberal international order is to spread liberal democracy far and wide, which was initially seen to be an eminently feasible task. It was widely believed in the West that politics had evolved to the point where there was no sensible alternative to liberal democracy. If so, then it would be relatively easy to create a liberal international order, because spreading liberal democracy around the world would meet little resistance. Indeed, most people would welcome the idea of living in a Western-style democracy, as appeared to be the case in Eastern Europe after the collapse of communism.

This endeavor, however, was doomed from the start. To begin, there never has been and never will be universal agreement on what constitutes the ideal political system. One can argue that liberal democracy is the best form of government (I would), but others will invariably favor a different governing system. It is worth remembering that during the 1930s, many people in Europe preferred communism or fascism to liberal democracy. One might then point out that liberal democracy ultimately triumphed over those two "isms." Although that is true, the history of the 1930s is a reminder that liberal democ-

racy is not the preordained order of things, and it is not unusual for elites and their publics to opt for alternative political systems. Thus, it should not be surprising that illiberal democracies are appearing in Eastern Europe, while China and Russia have embraced authoritarian rule, North Korea is a dictatorship, Iran is an Islamic republic, and Israel increasingly privileges its Jewish identity over its democratic character.<sup>51</sup> Nor should it be surprising that there has never been a time when more than 50 percent of the countries in the world were liberal democracies.<sup>52</sup>

This diversity of opinion about what constitutes the best governing system combines with nationalism to make the process of spreading liberal democracy around the world extremely difficult. Nationalism, after all, is a remarkably powerful political force that places great emphasis on self-determination and sovereignty. Nation-states, in other words, do not want other nation-states telling them how they should order their political system. Thus, trying to impose liberal democracy on a state that prefers an alternative form of government is almost certain to provoke fierce resistance.

#### FIGHTING LOSING WARS

Trying to build a liberal international order invariably leads to wars against minor powers that aim to turn those targets into liberal democracies. There are significant limits on how much social engineering of this sort great powers can attempt in a bipolar or multipolar system, mainly because they must focus on competing with each other for power and influence. Spreading liberal democracy is of secondary, if not tertiary, importance; indeed, at times liberal states will seek to prop up authoritarian governments if they are aligned against rival great powers, as the United States did repeatedly during the Cold War.

In unipolarity, however, the sole pole is free to go on crusades to make the world more democratic, simply because there are no rival great powers to worry about. Thus, it is unsurprising that the United States has fought seven wars in the years since the Cold War ended and has been at war for two out of every three years over that period.<sup>53</sup> Such wars, however, regularly fail to achieve their objective.

The U.S. effort to use military force to bring about democracy has been fo-

51. Larry Diamond, Marc F. Plattner, and Christopher Walker, eds., *Authoritarianism Goes Global: The Challenge to Democracy* (Baltimore, Md.: Johns Hopkins University Press, 2016); and "Jewish or Democratic?" *Economist*, July 28, 2018, p. 30.

52. Puddington and Roylance, "Populists and Autocrats," p. 4.

53. John Ikenberry maintains that for the United States to sustain a liberal international order, it must pursue a restrained foreign policy. "The more that power peeks out from behind these institutions," he writes, "the more that power will provoke reaction and resistance." Ikenberry believes that this is not a problem for the United States, however, because it has a "unique ability to engage in strategic restraint." Ikenberry, *After Victory*, pp. 270–271. But he is wrong; liberal hegemons such as the United States are highly aggressive and adopt especially ambitious agendas, because that is what is required to create a liberal international order.

cused primarily on the Greater Middle East, where it has led to one failure after another.<sup>54</sup> U.S. military forces invaded Afghanistan (2001) and Iraq (2003) with the intention of turning them into liberal democracies. The occupying forces not only failed to achieve that goal, but they also ended up precipitating bloody wars that did enormous damage to political and social life in those two countries. The main reason for this dismal record is that large-scale social engineering in any society is difficult, but it is especially daunting in a foreign country whose political leadership has just been toppled from power. The target state will be in turmoil; the invading forces will be dealing with an alien culture that might even be hostile to liberal democracy; and most importantly, nationalist sentiment is sure to increase sharply and generate an insurgency against the occupier, as the United States discovered in Afghanistan and Iraq.

Although these failures eroded public support for the liberal international order and cast doubts on the competence of its leaders, they did not stop the sole pole from trying to spread liberal democracy by military means, overextending itself even further.<sup>55</sup> Instead, it looked for less costly ways to accomplish that task, which effectively meant giving up on conquering and occupying non-democracies and employing different strategies to bring down authoritarian leaders. Thus, when fighting broke out among rival factions in Libya in 2011, the United States and its European allies employed airpower to help remove Col. Muammar al-Gaddafi from power. But the Western powers had no way of turning Libya into a functioning state, much less a liberal democracy, with or without troops on the ground.

Also in 2011, the United States and its allies in the Middle East sought to topple President Bashar al-Assad from power in Syria by arming and training rebel groups that opposed him. That effort failed, however, largely because Russia, which has had long-standing strategic ties with Syria, intervened in 2015 to keep Assad in power. Realpolitik thwarted U.S. efforts in Syria. But even if Assad had been deposed, the end result would have been either a continuation of the conflict, as in Libya, or the installation of another ruthless autocrat, as eventually happened in Egypt after President Hosni Mubarak was deposed in early 2011. Liberal democracy in Syria was not a serious possibility, but an abundance of murder and mayhem was.

#### TURNING THE MAJOR POWERS INTO ENEMIES

Finally, the crusader mentality that underpins the attempts to build a liberal international order leads to the poisoning of relations between the unipole and any major power in the system that is not a liberal democracy. Although the

54. Mearsheimer, *The Great Delusion*, pp. 120–187.

55. The persistence of these efforts despite repeated failures is emphasized by Walt, *The Hell of Good Intentions*, pp. 137–216.

dominant state will be strongly inclined to make war on minor powers to promote liberal democracy, it will rarely ever attack major powers for that purpose, especially if they possess nuclear weapons.<sup>56</sup> The costs would be too great, and the likelihood of success would be especially low. Hence, U.S. policymakers in the post–Cold War period have never seriously considered invading China or Russia, even though the United States is far more powerful than either of those countries.

Nevertheless, the United States has been committed to turning China and Russia into liberal democracies and absorbing them into the U.S.-dominated liberal world order. U.S. leaders have not only made their intentions clear, but they have also relied on nongovernmental organizations and various subtle strategies to push Beijing and Moscow toward embracing liberal democracy. In effect, the aim is peaceful regime change. Predictably, China and Russia have resisted the unipole's efforts for the same reason that minor powers have contested U.S. efforts to shape their domestic politics, and indeed for the same reason that Americans now recoil at the idea of Russia interfering in their country's politics. In a world in which nationalism is the most powerful political ideology, self-determination and sovereignty matter hugely for all countries.

China and Russia have also resisted the spread of the liberal order for realist reasons, because it would allow the United States to dominate the international system economically, militarily, and politically. Neither Beijing nor Moscow, for example, wants U.S. military forces in its neighborhood, much less on its borders. Thus, it is hardly surprising that China talks about pushing the U.S. military out of the Western Pacific and that Russia has long been deeply opposed to EU and NATO expansion into Eastern Europe. Indeed, moving those institutions toward Russia eventually led to the Ukraine crisis in 2014. That ongoing conflict has not only poisoned relations between Russia and the West, but it has incentivized Moscow to find ways to weaken both the EU and NATO. In short, both nationalist and realist calculations caused the two major powers in unipolarity to contest the unipole's efforts to build a robust liberal international order.

### *Turning the Liberal Democracies against the Liberal Order*

Building a robust liberal international order eventually causes serious political troubles inside the liberal democracies themselves, because the accompanying

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56. Building on Nuno P. Monteiro's work, I distinguish among the sole great power, major powers, and minor powers. Monteiro, *Theory of Unipolar Politics* (New York: Cambridge University Press, 2014).



policies clash with nationalism. Those problems on the home front, which come in two forms, work to eventually undermine the order itself.

To begin with, liberal states believe strongly in the virtues of international institutions, which leads them to delegate more and more authority to the institutions that make up the order. That strategy, however, is widely seen as evidence that those states are surrendering sovereignty. One can argue about whether those liberal countries are actually giving up sovereignty, but there is no question that they are delegating the authority to make some important decisions to those institutions, which is likely to cause serious political trouble in a modern nation-state.<sup>57</sup> After all, nationalism privileges self-determination and sovereignty, and thus it is fundamentally at odds with international institutions that make policies that decidedly affect their member states.<sup>58</sup> “The cumulative effect of such expansions of international authority,” Jeff Colgan and Robert Keohane write, “is to excessively limit sovereignty and give people the sense that foreign forces are controlling their lives.”<sup>59</sup>

The intensity of this problem will depend on how much power and influence the relevant institutions wield over their member states. Of course, the institutions that make up a liberal world order are designed to have a profound effect on the behavior of their member states. This institutional influence inevitably raises concerns about a “democratic deficit.” Voters in those countries come to think that the distant bureaucrats who make decisions that matter greatly for them are inaccessible and unaccountable.

There is clear evidence of this phenomenon at play across Europe.<sup>60</sup> Consider the 2016 vote in favor of Brexit. Given the huge impact the EU has on its members’ policies, it is unsurprising that one of the principal reasons a majority of British citizens voted for Brexit is because they thought that their country had surrendered too much authority to Brussels and that it was time to reas-

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57. I define “sovereignty” as the supreme authority to make decisions for a political organization. I believe that sovereigns can delegate the authority to make certain decisions to international institutions without surrendering supreme authority, which is the essence of sovereignty. This process describes what has transpired in the European Union. Sovereigns can also take back the authority they have delegated. Moreover, I do not think that sovereignty is divisible. My views are drawn from Jean Bodin, *On Sovereignty*, trans. and ed. Julian H. Franklin (Cambridge: Cambridge University Press, 1992); Mariya Grinberg, “Unconstrained Sovereignty: Delegation of Authority and Reversibility,” University of Chicago, October 22, 2018; and Carl Schmitt, *Political Theology: Four Chapters on the Concept of Sovereignty*, trans. and ed. George Schwab (Chicago, Ill.: University of Chicago Press, 2005).

58. Robert Jackson, *Sovereignty: Evolution of an Idea* (Malden, Mass.: Polity, 2007), pp. 78–113.

59. Jeff D. Colgan and Robert O. Keohane, “The Liberal Order Is Rigged: Fix It Now or Watch It Wither,” *Foreign Affairs*, Vol. 96, No. 3 (May/June 2017), p. 42, <https://www.foreignaffairs.com/articles/world/2017-04-17/liberal-order-rigged>.

60. Alberto Alemanno, “Beyond Consultations: Reimagining EU Participatory Politics” (Brussels: Reshaping European Democracy project, Carnegie Europe, December 5, 2018), [https://carnegieendowment.org/files/Alemanno\\_EU\\_Politics\\_Dec20182.pdf](https://carnegieendowment.org/files/Alemanno_EU_Politics_Dec20182.pdf).



sert British sovereignty. In particular, many Britons believed that Britain had lost control of its economic policy, which was undermining democratic accountability.<sup>61</sup> EU bureaucrats in Brussels, who were not elected by Britons, were seen to be the key architects of British economic policy and other policies as well. Thus, the authors of an important study on Brexit write: "Regaining sovereignty—taking back control—was a major theme in the 2016 referendum."<sup>62</sup>

Fears in the West about surrendering sovereignty were not limited to the EU. As Robert Kuttner points out, with the blossoming of hyperglobalization in the 1990s, the IMF and the World Bank "mutated into the opposite of the roles imagined at Bretton Woods. They became instruments for the enforcement of classical laissez-faire as a universal governing principle."<sup>63</sup> Unsurprisingly, concerns about sovereignty have played an important role in recent U.S. politics. In particular, Trump ran for president on a platform that emphasized "America First," and he harshly criticized all the key institutions that make up the liberal international order, including the EU, the IMF, and the World Bank.<sup>64</sup>

The liberal international order also adopts policies that clash with national identity, which matters greatly to people all around the world, including those in the United States and Western Europe.<sup>65</sup> At its core, liberalism is an individualistic ideology that places great weight on the concept of inalienable rights. This belief, which says that every individual on Earth has the same set of basic rights, is what underpins the universalistic dimension of liberalism. This universalistic or transnational perspective stands in marked contrast to the profound particularism of nationalism, which is built on the belief that the world is divided into discrete nations, each with its own culture. Preserving that culture is best served by having one's own state, so that the nation can survive in the face of threats from the "other."<sup>66</sup>

61. Harold D. Clarke, Matthew Goodwin, and Paul Whiteley, *Brexit: Why Britain Voted to Leave the European Union* (New York: Cambridge University Press, 2017), pp. 69–72, 86, 111–115, 141, 166–170, 173.

62. *Ibid.*, p. 141.

63. Robert Kuttner, *Can Democracy Survive Global Capitalism?* (New York: W.W. Norton, 2018), p. 74.

64. Secretary of State Michael R. Pompeo, "Restoring the Role of the Nation-State in the Liberal International Order," address to the German Marshall Fund, Brussels, Belgium, December 4, 2018, <https://www.state.gov/secretary/remarks/2018/12/287770.htm>.

65. M.D.R. Evans and Jonathan Kelley, "National Pride in the Developed World Survey Data from 24 Nations," *International Journal of Public Opinion Research*, Vol. 14, No. 3 (September 2002), pp. 303–338, doi.org/10.1093/ijpor/14.3.303; Michael Keating and John McGarry, eds., *Minority Nationalism and the Changing International Order* (New York: Oxford University Press, 2001); and Mitchell Young, Eric Zuelow, and Andreas Sturm, *Nationalism in a Global Era: The Persistence of Nations* (New York: Routledge, 2007).

66. Liberalism also has an important particularist dimension to it, which is more in line with na-

Given liberalism's emphasis on individuals with equal rights, coupled with its tendency to downplay if not ignore national identity, it is unsurprising that the liberal international order emphasizes that countries should axiomatically accept refugees seeking shelter and that individuals should encounter few obstacles to moving from one nation-state to another for economic or other reasons. The paradigmatic example of this policy is the EU's Schengen Agreement, which has largely eliminated borders among most of that institution's member states. Furthermore, the EU is deeply committed in principle to opening its doors to refugees fleeing trouble spots.

In a world where national identity matters greatly, mixing different peoples together, which is what happens when there are open borders and broad-minded refugee policies, is usually a prescription for serious trouble. It seems clear, for example, that immigration was the main reason British voters supported Brexit. They were especially unhappy that people from Eastern Europe used the EU's policy of open borders to migrate easily to Britain.<sup>67</sup> Britain is hardly an exception in this regard, as anti-immigrant sentiment is widespread in Europe and fuels hostility toward the EU.<sup>68</sup> The large numbers of refugees from the Greater Middle East that began arriving in Europe in 2015 have certainly not been accorded the kind of welcome one would expect from states that are at the center of the liberal international order. Indeed, there has been enormous resistance to accepting those refugees, especially in Eastern Europe, but also in Germany, where Chancellor Merkel hurt herself politically by initially welcoming them. This trouble over open borders and refugees has not only called into question the EU's commitment to liberal values, but it has also created rifts among the member states—rifts that have shaken the foundation of that venerable institution.

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tionalism and which should discourage liberal states from trying to remake the world in their own image. Specifically, liberalism places a high premium on tolerance, mainly because it is based on the sound assumption that it is impossible to reach universal agreement about first principles. Mearsheimer, *The Great Delusion*, pp. 53–54. Thus, one might expect liberal states to work out a *modus vivendi* with non-liberal states and not try to create a world populated solely by liberal democracies. When it comes to international politics, however, the universalistic strand of liberalism tends to trump the particularistic strand, which means liberal states tend to be intolerant toward other kinds of political systems.

67. Clarke, Goodwin, and Whiteley, *Brexit*, pp. 11, 23, 53, 59, 70, 102–103, 109, 113, 122–124, 166–170, 173, 205, 207–208. Although immigration and open borders are treated separately from sovereignty in *Brexit*, these issues are closely linked. After all, Britain is bent on exiting the EU so that it can regain authority over its borders, which is now largely in the hands of the EU.

68. *Ibid.*, pp. 222–229; John B. Judis, *The Nationalist Revival: Trade, Immigration, and the Revolt against Globalization* (New York: Columbia Global Reports, 2018), pp. 43, 95–98; and European Commission, "Public Opinion in the European Union," *Standard Eurobarometer 90, Autumn 2018* (Brussels: European Commission, November 2018), pp. 12–15.

## *The Downside of Hyperglobalization*

The sharp growth in economic intercourse that has come with the establishment of the liberal international order has helped cause significant economic problems inside the liberal states in the system. These problems, in turn, have generated substantial political resistance to that order. When that happens in a democracy, the public is likely to turn on the liberal elites and elect leaders who support policies that are at odds with liberal principles.

The contemporary international economy is highly integrated and remarkably dynamic. Change occurs at warp speed, and major developments in one country invariably have significant effects in other countries. This wide-open system has had considerable benefits. It has led to impressive growth at the global level, helped lift many millions of people out of poverty in countries such as China and India, and provided huge economic benefits for the world's wealthiest people. At the same time, it has caused major problems that governments are ill equipped to fix, at least if they play according to the rules of the liberal world order. The best way to understand this phenomenon is to compare today's hyperglobalization with the moderate globalization that obtained under the Bretton Woods consensus from 1945 until the late 1980s.<sup>69</sup>

The Bretton Woods consensus was designed to facilitate an open international economy, but only up to a point.<sup>70</sup> There were, for example, significant limits on capital flows across state boundaries. And although GATT was designed to expedite international trade, governments had considerable maneuver room to adopt protectionist policies when it was in their interest to do so. In effect, governments were able to pursue policies that not only facilitated prosperity, but also protected their citizens from the vagaries of the market. John Ruggie famously refers to this relationship between markets and govern-

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69. The subsequent discussion of Bretton Woods and hyperglobalization—or what is sometimes called neoliberalism—draws heavily on Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy* (New York: W.W. Norton, 2011). See also Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System*, 2nd ed. (Princeton, N.J.: Princeton University Press, 2008); Kuttner, *Can Democracy Survive Global Capitalism?*; Dani Rodrik, *Has Globalization Gone Too Far?* (Washington, D.C.: Institute for International Economics, March 1997); Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth* (Princeton, N.J.: Princeton University Press, 2017); and Joseph E. Stiglitz, *Globalization and Its Discontents Revisited: Anti-Globalization in the Era of Trump* (New York: W.W. Norton, 2017).

70. The Bretton Woods system, which was negotiated at the end of World War II, focused mainly on establishing a monetary order built around fixed exchange rates. That core element of the system collapsed in the early 1970s, although Western countries remained committed to limiting capital flows and trade liberalization. Rodrik refers to this remaining set of commitments as the Bretton Woods consensus, not the Bretton Woods system. See Rodrik, *The Globalization Paradox*, pp. 69–76, 95–101. In this article, the Bretton Woods consensus refers to the entire period from 1945 to the end of the 1980s.

ments as “embedded liberalism.”<sup>71</sup> The Bretton Woods consensus worked well for more than four decades, although its days were numbered by the late 1980s.

Hyperglobalization, which began gaining traction in the 1980s and accelerated after the Cold War, effectively overturned the Bretton Woods consensus. The new order, created largely by Western policymakers, was designed to greatly reduce regulation of global markets by removing controls on capital flows and replacing GATT with the WTO. This new trade organization, which began operating in 1995, was intended to open up markets all over the world and make it especially difficult for governments to pursue protectionist policies. “Any obstacle to free trade,” as Dani Rodrik notes, was seen “as an abomination to be removed; caveats be damned.”<sup>72</sup> In essence, almost any kind of government interference in the workings of the world economy was considered harmful to the liberal international order. To quote Rodrik again, “The state went from being the handmaiden of economic growth to the principal obstacle blocking it.”<sup>73</sup>

#### HYPERGLOBALIZATION AND ITS DISCONTENTS

Hyperglobalization has caused a number of major economic problems that have worked to undermine the legitimacy of the liberal world order in the states that form the core of that system. For starters, many jobs in particular sectors of a country’s economy disappear quickly as a result of outsourcing, throwing large numbers of people out of work.<sup>74</sup> Sometimes entire regions see their traditional economic base destroyed. It is often difficult for the unemployed, many of whom are unskilled workers with little mobility, to find well-paying jobs, or any job at all.<sup>75</sup> And even if they find good jobs, there is always

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71. John Gerard Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” *International Organization*, Vol. 36, No. 2 (Spring 1982), pp. 379–415, <https://www.jstor.org/stable/2706527>.

72. Rodrik, *The Globalization Paradox*, p. 77.

73. *Ibid.*, p. 163.

74. Automation is also responsible for the disappearance of a substantial number of jobs, although it is difficult to determine the relative importance of automation and outsourcing. See Susan N. Houseman, “Understanding the Decline of U.S. Manufacturing Employment,” Working Paper 18-287 (Kalamazoo, Mich.: W.E. Upjohn Institute for Employment Research, June 2018), [doi.org/10.17848/wp18-287](https://doi.org/10.17848/wp18-287); and Claire Cain Miller, “The Long-Term Jobs Killer Is Not China. It’s Automation,” *New York Times*, December 21, 2016, <https://www.nytimes.com/2016/12/21/upshot/the-long-term-jobs-killer-is-not-china-its-automation.html>.

75. David Goodhart, *The Road to Somewhere: The Populist Revolt and the Future of Politics* (London: Hurst, 2017), pp. 147–192. On the human costs of these “progressively worsening labor market opportunities,” see Ann Case and Angus Deaton, “Mortality and Morbidity in the 21st Century,” *Brookings Papers on Economic Activity* (Washington, D.C.: Brookings Institution, Spring 2017), <https://www.brookings.edu/wp-content/uploads/2017/08/casetextsp17bpea.pdf>.

the possibility they will lose them again, given the “creative destruction” that comes with hyperglobalization. Even people who have not lost their jobs worry that someday they might. In brief, the dynamism inherent in the world economy not only threatens jobs, but also fosters an acute sense of uncertainty about the future among people everywhere.

In addition, hyperglobalization has done little to raise the real income levels of the lower and middle classes in the liberal West. At the same time, it has greatly increased the wages and the wealth of the upper classes.<sup>76</sup> The result is staggering economic inequality almost everywhere, which shows few signs of abating.<sup>77</sup> Indeed, the problem appears likely to be getting worse.<sup>78</sup> Under the Bretton Woods consensus, governments were in a good position to deal with problems of this sort by devising redistributive tax policies, training programs for workers, and generous welfare benefits. But in the liberal international order, the solution to almost every problem is to let the market deal with it, not governments, which are considered to be more of a liability than an asset for making the global economy work smoothly. To the extent that rules are needed to facilitate the smooth working of the global economy, better to rely on international institutions than governments.

Markets, of course, cannot fix these problems; indeed, they helped cause them in the first place and are likely to make them worse in the absence of policies that states design to protect their citizenry. As one would expect, these festering problems have led to widespread dissatisfaction with the liberal international order and growing sentiment for governments to adopt protectionist economic policies, which would undermine the present system. Trump capitalized on this hostility toward the existing order in the 2016 presidential campaign not only by railing against international institutions, but also by making the case for pursuing protectionist economic policies. He emphasized the importance of protecting U.S. workers above all else. In both the Republican primaries and the general election, he defeated opponents who defended the liberal international order and argued against protectionism.<sup>79</sup> Since becoming president, Trump has moved in a decidedly protectionist di-

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76. Drew DeSilver, “For Most U.S. Workers, Real Wages Have Barely Budged in Decades” (Washington, D.C.: Pew Research Center, August 7, 2018), <http://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/>; and Edward N. Wolff, “Inequality and Rising Profitability in the United States, 1947–2012,” *International Review of Applied Economics*, Vol. 29, No. 6 (November 2015), pp. 741–769, doi.org/10.1080/02692171.2014.956704.

77. Facundo Alvaredo et al., “World Inequality Report, 2018: Executive Summary” (Paris: World Inequality Lab, 2017), <https://wir2018.wid.world/files/download/wir2018-summary-english.pdf>.

78. Walter Scheidel, *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-first Century* (Princeton, N.J.: Princeton University Press, 2017).

79. Judis, *The Nationalist Revival*, pp. 47–80, 117–142.

rection. Ultimately, when markets clash with the deep-seated interests of large numbers of a country's citizens, its politics will evolve in ways that undermine the liberal international order.

There is another major problem that comes with hyperglobalization. The ease and speed with which capital flows across borders, coupled with the emphasis that the liberal world order places on government deregulation, make this order prone to large-scale economic crises in particular countries or regions, or even the entire world. "Periods of high international capital mobility," Carmen Reinhart and Kenneth Rogoff write, "have repeatedly produced international banking crises."<sup>80</sup> In fact, there have been a number of crises since hyperglobalization began taking root in the late 1980s.<sup>81</sup> The most consequential were the Asian financial crisis of 1997–98, which came dangerously close to spreading across the entire globe, and the 2007–08 global financial crisis, which was the most severe economic breakdown since the Great Depression of the 1930s and did much to delegitimize the liberal international order in the West.<sup>82</sup> Given the continuing mobility of capital, more crises of this sort will likely occur, further weakening the present order and perhaps even bringing it crashing down.

A few words are in order regarding the euro, which is a key feature of the liberal international order, even though it is part of a strictly European institution.<sup>83</sup> When that currency was established in 1999, it represented a giant step forward in promoting monetary union among the member states, although there was neither fiscal nor political union to help underpin the euro. Critics at the time predicted that without fiscal and political union, the euro would eventually be plagued by significant problems.<sup>84</sup> Many advocates recognized the problem, but thought that monetary union would ultimately lead to union on all three fronts, thus eliminating the problem. But that did not happen, and the euro encountered its first major crisis in 2009, which produced not just economic problems, but political problems as well. The crisis and the ensuing attempts to solve it brought hard-edged nationalist sentiment to the surface in Europe.

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80. Carmen M. Reinhart and Kenneth S. Rogoff, *This Time Is Different: Eight Centuries of Financial Folly* (Princeton, N.J.: Princeton University Press, 2011), p. 155.

81. *Ibid.*, pp. 95–96, 344–347; and Rodrik, *The Globalization Paradox*, pp. 108–109.

82. Tooze, *Crashed*.

83. Ashoka Mody, *EuroTragedy: A Drama in Nine Acts* (New York: Oxford University Press, 2018); and Joseph E. Stiglitz, *The Euro: How a Common Currency Threatens the Future of Europe* (New York: W.W. Norton, 2016).

84. Rudi Dornbusch, "Euro Fantasies," *Foreign Affairs*, Vol. 75, No. 5 (September/October 1996), pp. 110–124, doi.org/10.2307/20047747; Martin Feldstein, "EMU and International Conflict," *Foreign Affairs*, Vol. 76, No. 6 (November/December 1997), pp. 60–73, doi.org/10.2307/20048276; Josef Joffe, "The Euro: The Engine That Couldn't," *New York Review of Books*, December 4, 1997, pp. 26–31; and Paul Krugman, "The Plight of the Hapless EMU," *Fortune*, December 21, 1998, pp. 34–36.



The EU had great difficulty dealing with the eurozone crisis, but the problems were eventually solved by massive bailouts from institutions such as the European Central Bank and from the U.S. government, although not before significant political damage was done to the EU. More importantly, however, the EU has not made significant movement toward fiscal and political union, which means that the fix is temporary and that more crises are likely in the years ahead, which will further undermine not only the EU, but the liberal international order more generally.

#### THE RISE OF CHINA

There is an additional problem linked to hyperglobalization that has little to do with the growing political opposition to the international order in liberal countries, and everything to do with the global balance of power. Until Trump came to power in 2017, Western elites, in keeping with their post-Cold War policy of engaging, not containing, China, were deeply committed to integrating China into the world economy, including all of its key economic institutions. An increasingly prosperous and wealthy China, they assumed, would eventually become a liberal democracy and an upstanding member of the liberal international order.

What the architects of that policy did not realize, however, is that by helping accelerate Chinese growth, they were actually helping undermine the liberal order, as China has rapidly grown into an economic powerhouse with significant military capability. In effect, they have helped China become a great power, thus undercutting unipolarity, which is essential for maintaining a liberal world order. This problem has been compounded by the resurgence of Russia, which is once again a great power, although clearly a weak one. With the rise of China and Russia's comeback, the international system has become multipolar, which is a death knell for the liberal international order. To make matters worse, neither China nor Russia has become a liberal democracy.

Even if China and Russia had not become great powers and the world remained unipolar, the liberal order would still be falling apart today because of its intrinsic flaws. The election of Donald Trump, who sharply and frequently criticized all the key elements of the post-Cold War order during his presidential campaign, is evidence of how much trouble it was in by 2016. Thus, if the international system had remained unipolar, the liberal world order would have devolved into an agnostic order under President Trump, as realist orders have no place in unipolarity. There is certainly no evidence that he is committed to refashioning the existing liberal order. Indeed, he appears bent on wrecking it. With or without China, the liberal international order was destined to fail, because it was fatally flawed at birth.



## SUMMARY

The various causal processes described above have all played an important role in subverting the liberal international order. Although each one has a distinct logic, they have often operated synergistically. For example, the negative effects of hyperglobalization on the lower and middle classes have combined with the nationalist resentment over immigration and the sense of lost sovereignty to fuel a strong populist backlash against the principles and practices of the liberal order. Indeed, that anger has often been directed at the liberal elites who have benefited from the order and who vigorously defend it. That resentment, of course, has had significant political consequences. It has caused deep political divisions in the United States and other Western democracies, led to Brexit, helped put Trump in the White House, and fueled support for nationalist leaders around the world.

*Where Are We Headed?*

One might acknowledge that the liberal international order is in terminal decline, but argue that it can be replaced with a more pragmatic version, one that avoids the excesses of the post-Cold War order.<sup>85</sup> This more modest liberal order would pursue a more nuanced, less aggressive approach to spreading liberal democracy, rein in hyperglobalization, and put some significant limits on the power of international institutions. The new order, according to this perspective, would look something like the Western order during the Cold War, although it would be global and liberal, not bounded and realist.

This solution is not feasible, however, because the unipolar moment is over, which means there is no chance of maintaining any kind of liberal international order for the foreseeable future. Furthermore, President Trump has no intention of pursuing a “liberal-lite” world order, and without his support, that option is a nonstarter. But even if Trump were not an obstacle and the international system were to remain unipolar, the United States would fail if it lowered its sights and attempted to construct a less ambitious liberal order. Indeed, it would end up building an agnostic international order instead.

It is impossible to build a meaningful liberal global order with modest or more passive policies. The enterprise requires too much social engineering in

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85. For some different perspectives on how to reform the order, see Colgan and Keohane, “The Liberal Order Is Rigged”; Daniel Deudney and G. John Ikenberry, “Liberal World: The Resilient Order,” *Foreign Affairs*, Vol. 97, No. 4 (July/August 2018), pp. 16–24, <https://www.foreignaffairs.com/articles/world/2018-06-14/liberal-world>; Mazarr, *Summary of the Building a Sustainable International Order Project*; and Kori Schake, *America vs the West: Can the Liberal World Order Be Preserved?* (Melbourne, Australia: Penguin Random House, 2018).

too many places. If it has any chance of succeeding (I think it has none), the liberal unipole and its allies must relentlessly pursue highly ambitious global policies, which is why the United States and its liberal partners acted the way they did in the wake of the Cold War. That approach, however, is now politically infeasible because of past failures. Consequently, the liberal democracies have no choice but to take small steps here and there to remake the world in their own image, while adopting a live and let live approach toward most countries in the world. That humble approach would effectively produce an agnostic order. But that is not going to happen, because the system is multipolar and great power politics are once again at play. Thus, the key question is: What kinds of realist orders will dominate the landscape in the new multipolar world?

#### THE NEW REALIST ORDERS

There are likely to be three different realist orders in the foreseeable future: a thin international order and two thick bounded orders—one led by China, the other by the United States. The emerging thin international order will be concerned mainly with overseeing arms control agreements and making the global economy work efficiently. It is also likely to pay more serious attention than in the past to problems relating to climate change. In essence, the institutions that make up the international order will focus on facilitating interstate cooperation. The two bounded orders, in contrast, will be concerned principally with waging security competition against each other, although that will call for promoting cooperation among the members of each order. There will be significant economic and military competition between those two orders that will need to be managed, which is why they will be thick orders.

Two key features of the new multipolar world will profoundly shape the emerging orders. First, assuming that China continues its impressive rise, it will be involved in an intense security competition with the United States that will be the central feature of international politics over the course of the twenty-first century. That rivalry will lead to the creation of bounded orders dominated by China and the United States. Military alliances will be core components of those two orders, which are now beginning to form and will resemble the Soviet-led and U.S.-led orders in the Cold War.

Beijing and Washington, however, will sometimes have reasons to cooperate on select military issues, an endeavor that will fall within the purview of the international order, as it did during the Cold War. Again, the focus will be principally on arms control agreements and will involve Russia as well as China and the United States. The existing treaties and agreements dealing with proliferation are likely to remain in place, because all three great powers will want to limit the spread of nuclear weapons. But Beijing, Moscow, and

Washington will have to negotiate new treaties limiting their arsenals, as the superpowers did during the Cold War.<sup>86</sup> Nevertheless, the U.S.-led and Chinese-led bounded orders will be largely responsible for dealing with core security matters.

In military matters, the three emerging orders built around the U.S.-China rivalry should bear a marked resemblance to the three Cold War orders, albeit with China taking the place of the Soviet Union.

No such parallels exist in the economic realm, however. There was little economic intercourse between the superpowers or their respective orders for most of the Cold War. Thus, the existing international order was not concerned in any meaningful way with facilitating economic relations between the two sides. Economic dealings were largely confined to the bounded orders, and there the main objective was to pursue policies that would help gain advantage over the other side. Because economic power underpins military power, waging security competition was carried out in both the economic and military domains.

#### ECONOMIC COOPERATION AND RIVALRY

The situation on the economic front is much different today than it was in the Cold War, which leads to the second important feature of the new multipolarity that will shape the incipient orders. There is a huge amount of economic intercourse between China and the United States, and between China and U.S. allies in East Asia. China and the United States also trade and invest all over the world. The security competition between the two bounded orders is unlikely to markedly reduce those economic flows.<sup>87</sup> The gains from continued trade are too great. Even if the United States tries to limit its trade with China, Beijing can compensate by increasing its trade with other partners, such as Europe. The future, in other words, is likely to resemble the situation in Europe before World War I, where there was an intense security competition between the Triple Alliance (Austria-Hungary, Germany, and Italy) and the Triple Entente (Great Britain, France, and Russia), yet an enormous amount of economic interaction among those six countries and within Europe more generally.

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86. The Intermediate-Range Nuclear Forces Treaty, for example, puts limits only on U.S. and Russian arsenals, but not the Chinese arsenal, which is one reason it has collapsed. The treaty will have to be renegotiated to include all three countries. Andrew E. Kramer, "The I.N.F. Treaty, Explained," *New York Times*, October 23, 2018, <https://www.nytimes.com/2018/10/23/world/europe/inf-treaty-russia-united-states-trump-nuclear.html>.

87. In fact, there is abundant evidence that states often continue trading with each other when they are at war, which is the most intense form of security competition. Jack S. Levy and Katherine Barbieri, "Trading with the Enemy during Wartime," *Security Studies*, Vol. 13, No. 3 (Spring 2004), pp. 1-47, doi.org/10.1080/09636410490914059.

Because the world economy will remain highly interdependent, the emerging international order will play a pivotal role in managing economic relations among countries across the globe. Although China has a deep-seated interest in helping the order facilitate economic cooperation, it will wield its increasing power to reshape the new international order to its advantage. It will seek to rewrite the rules in the order's current economic institutions to give it more influence, and it will create new institutions that reflect its growing power.<sup>88</sup> One prominent example of the latter approach is Beijing's establishment of the Asian Infrastructure Investment Bank in 2015, which some observers see as a potential rival to the IMF and the World Bank. Of course, this situation is fundamentally different from how the Soviet Union behaved during the Cold War.

That is not the end of the economic story, however, as there is sure to be an intense economic rivalry between the two bounded orders that takes place within the broader context of continued economic cooperation at the global level.<sup>89</sup> This competition will be driven in good part by security concerns. Economic might, after all, is the foundation of military might, which means that China has a powerful strategic incentive to possess the dominant economy in the world, which is its goal. "Made in China 2025," for example, is Beijing's plan to dominate global markets in a wide range of high-tech products. China's strategy is to give large government subsidies to state-owned companies and supplement their research with technology stolen from American and other Western companies.<sup>90</sup> China is also using its growing economic power to coerce its neighbors in East Asia to side with Beijing over Washington.<sup>91</sup>

The United States, of course, will fight back against China, not just for

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88. Michael J. Mazarr, Timothy R. Heat, and Astrid Stuth Cevallos, *China and the International Order* (Santa Monica, Calif.: RAND Corporation, 2018); and Oliver Stuenkel, *Post-Western World: How Emerging Powers Are Remaking Global Order* (Malden, Mass.: Polity, 2016), pp. 120–180.

89. The WTO, which is likely to be part of the new international order, contains provisions that allow for economic competition within the confines of a bounded order. Specifically, it is possible for a group of countries to set up a preferential trade agreement that lowers tariffs and facilitates cooperation among the members, while discriminating against nonmembers. The Trans-Pacific Partnership discussed below is such an agreement.

90. Martin Feldstein, "Tariffs Should Target Chinese Lawlessness, Not the Trade Deficit," *Wall Street Journal*, December 28, 2018, <https://www.wsj.com/articles/tariffs-should-target-chinese-lawlessness-not-the-trade-deficit-11545955628>. See also Derek Scissors and Daniel Blumenthal, "China Is a Dangerous Rival, and America Should Treat It Like One," *New York Times*, January 14, 2019, <https://www.nytimes.com/2019/01/14/opinion/us-china-trade.html>; and Adam Segal, "When China Rules the Web: Technology in Service of the State," *Foreign Affairs*, Vol. 97, No. 5 (September/October 2018), pp. 10–18, <https://www.foreignaffairs.com/articles/china/2018-08-13/when-china-rules-web>.

91. Jennifer Lind, "Life in China's Asia: What Regional Hegemony Would Look Like," *Foreign Affairs*, Vol. 97, No. 2 (March/April 2018), pp. 71–82, <https://www.foreignaffairs.com/articles/china/2018-02-13/life-chinas-asia>.

security-related reasons, but also because the U.S. business community does not want to lose out to China.<sup>92</sup> The Trump administration's harsh economic policies toward China are just the start of what promises to be a long-running and intense rivalry between the U.S.-led and Chinese-led orders.<sup>93</sup> The United States, for example, is sure to try to limit the transfer to China of dual-use technologies—sophisticated civilian technologies that can be used for military purposes. It will also try to manage its trade and investment with China, as well as that of its own allies, in ways that do not erode their position in the balance of power and hopefully improve it.

The two bounded orders, which are beginning to form, will include institutions that aim to foster economic cooperation among their members, while seeking to gain economic advantage over the rival order. The Obama administration, for example, explicitly designed the Trans-Pacific Partnership for this purpose, although Trump withdrew from it after he became president. China's highly ambitious "One Belt, One Road" initiative, which was launched in 2013, is designed not just to help China sustain its impressive economic growth, but also to project Chinese military and political power around the globe. And because the United States refused to join the Asian Infrastructure Development Bank, that impressive institution is likely to become a central part of the China-led bounded order.

In short, the rivalry between the China-led and U.S.-led bounded orders will involve both full-throated economic and military competition, as was the case with the bounded orders dominated by Moscow and Washington during the Cold War.<sup>94</sup> The big difference this time is that the international order will

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92. David A. Lake, "Economic Openness and Great Power Competition: Lessons for China and the United States," *Chinese Journal of International Politics*, Vol. 11, No. 3 (September 2018), pp. 237–270, doi.org/10.1093/cjip/poy010.

93. See *inter alia* Edward Luce, "The New Era of US-China Decoupling," *Financial Times*, December 20, 2018, <https://www.ft.com/content/019b1856-03c0-11e9-99df-6183d3002ee1>; Raymond Zhong and Paul Mozur, "For the U.S. and China, a Technology Cold War That's Freezing Over," *New York Times*, March 23, 2018, <https://www.nytimes.com/2018/03/23/technology/trump-china-tariffs-tech-cold-war.html>; Chris Uhlmann and Angus Grigg, "How the 'Five Eyes' Cooked Up the Campaign to Kill Huawei," *Sydney Morning Herald*, December 13, 2018, <https://www.smh.com.au/business/companies/how-the-five-eyes-cooked-up-the-campaign-to-kill-huawei-20181213-p50m24.html>; "U.S.-China Trade Fight Risks Fragmenting Global Market, Says Beijing Ambassador," *Wall Street Journal*, November 26, 2018, <https://www.wsj.com/articles/u-s-china-trade-fight-risks-fragmenting-global-market-says-beijings-ambassador-to-the-u-s-1543228321>; David E. Sanger et al., "In 5G Race with China, U.S. Pushes Allies to Fight Huawei," *New York Times*, January 26, 2019, <https://www.nytimes.com/2019/01/26/us/politics/huawei-china-us-5g-technology.html>; and Martin Wolf, "The Challenge of One World, Two Systems," *Financial Times*, January 29, 2019, <https://www.ft.com/content/b20a0d62-23b1-11e9-b329-c7e6ceb5ffdf>.

94. The economic and military competition between Britain and Germany before World War I is also instructive in this regard. See Markus Brunnermeier, Rush Doshi, and Harold James, "Beijing's Bismarckian Ghosts: How Great Powers Compete Economically," *Washington Quarterly*, Vol. 41, No. 3 (Fall 2018), pp. 161–176, doi.org/10.1080/0163660X.2018.1520571.

be deeply involved in managing the cooperative aspects of the global economy, which was not the case during the Cold War.<sup>95</sup>

#### RUSSIA AND EUROPE

What about Russia? It is certainly a great power, which is why the emerging world is multipolar, not bipolar. But it will be by far the weakest of the three great powers for the foreseeable future, unless either the U.S. or Chinese economy encounters major long-term problems. The key question regarding Russia is: Which side, if any, will it take in the U.S.-China rivalry? Although Russia is now aligned with China, it is likely to switch sides over time and ally with the United States, simply because an increasingly powerful China is the greater threat to Russia, given their geographical proximity. Should Moscow and Washington forge closer relations because of their mutual fear of China, Russia will be loosely integrated into the U.S.-led bounded order. Should Moscow continue to have friendly relations with Beijing because it fears the United States more than it does China, Russia will be loosely integrated into the China-led bounded order. It is possible that Russia will try not to align itself with either side and remain on the sidelines.<sup>96</sup>

Finally, what about Europe? Most of the countries in Europe, especially the major powers, are likely to become part of the U.S.-led bounded order, although they are unlikely to play a serious military role in containing China. They do not have the capability to project substantial military power into East Asia, and they have little reason to acquire it, because China does not directly threaten Europe, and because it makes more sense for Europe to pass the buck to the United States and its Asian allies. U.S. policymakers, however, will want the Europeans inside their bounded order for strategically related economic reasons. In particular, the United States will want to keep European countries from selling dual-use technologies to China and to help put economic pressure on Beijing when necessary. In return, U.S. military forces will remain in Europe, keeping NATO alive and continuing to serve as the

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95. There is a small chance that China will not continue its impressive rise and Russia will badly falter in the decades ahead, while the United States grows increasingly powerful. Should that happen, the international system would move from multipolarity back to unipolarity, which raises the obvious question: What would the international order look like, given that the sole pole would be a liberal democracy? Some U.S. policymakers would surely be tempted to try to create another liberal international order, but few are likely to advocate pursuing the ambitious policies that failed so badly in the post-Cold War period. Instead, they are likely to back efforts to erect a less ambitious liberal order. That effort, however, is likely to fail and lead to an agnostic international order.

96. Russia is unlikely to create a bounded order of its own if it stays on the sidelines, as it would not be waging security competition with either side. In the unlikely event that Russia needs its own bounded order, it heads a few weak regional institutions that might serve as the foundation for that order: the Commonwealth of Independent States, the Collective Security Treaty Organization, the Eurasian Customs Union, and the Eurasian Economic Union.



pacifier in that region. Given that virtually every European leader would like to see that happen, the threat of leaving should give the United States significant leverage in getting the Europeans to cooperate on the economic front against China.

## *Conclusion*

The United States and its allies built a formidable order during the Cold War, but it was neither international nor liberal. It was a bounded order whose principal purpose was to wage security competition with a rival bounded order dominated by the Soviet Union. Both orders were realist at their core, not liberal or communist. The coming of unipolarity in the wake of the Cold War allowed the victorious West—with the United States taking the lead—to begin building a truly liberal international order. The hope was that it would act as a handmaiden for a peaceful and prosperous world.

During the 1990s and the first few years of the new century, it looked like the liberal order was going to work as intended and would have a long life. Advocates and architects could point to many successes, while acknowledging some failures. But starting around 2005, the order began to encounter serious problems, which have multiplied with time, to the point where it has begun to collapse. This outcome should have been foreseen, as the order had within it the seeds of its own destruction and thus was destined to fail sooner rather than later.

The attempt by the United States and its allies to create a liberal international order faced three main problems. First, it required the liberal states in the system, especially the United States, to pursue a highly revisionist and wildly ambitious policy of regime change that was almost certain to fail in an era in which nationalism, with its emphasis on sovereignty and self-determination, remains a remarkably powerful force. The policy was also stymied by balance of power politics at both the global and regional levels.

Second, by pushing for the free movement of people across borders and the delegation of substantial decisionmaking authority to international institutions, the expanding liberal order caused significant political problems inside the liberal states themselves. The results often clashed with beliefs about national identity and sovereignty, which matter greatly to most citizens in modern nation-states.

Third, although some people and countries benefited from hyperglobalization, it ultimately caused major economic and political problems inside the liberal democracies, which eventually led to a serious erosion of support for the liberal international order. At the same time, the economic dynamism that comes with hyperglobalization helped China rapidly turn itself into

a great power at roughly the same time Russia was reestablishing itself as a great power. That shift in the global balance of power put an end to unipolarity, which is a prerequisite for a liberal world order.

In the emerging multipolar world, there is likely to be a realist international order that will be concerned with managing the world economy and also fostering and maintaining arms control agreements. The emphasis in that order will be on facilitating interstate cooperation. In addition, there are likely to be Chinese-led and U.S.-led bounded orders that will help prosecute the security competition that is almost certain to arise between China and its allies, on the one hand, and the United States and its allies, on the other. That rivalry will have both economic and military dimensions.

How should the United States act as it leaves behind the liberal international order that it worked so assiduously to build? First, it should resist any temptation to continue trying to forcefully spread democracy across the planet via regime change. Because the United States will be compelled to engage in balance of power politics with China and Russia, its ability to engage in social engineering abroad will be sharply limited. The temptation to remake the world will always be there, however, because the United States believes so fervently in the virtues of liberal democracy. But it should resist that temptation, because going on liberal crusades is certain to lead to serious trouble.

Second, the United States should seek to maximize its influence in the economic institutions that will make up the emerging international order. Doing so is important for maintaining as favorable a position as possible in the evolving global distribution of power. After all, economic power is the basis of military power. It is imperative that Washington not allow China to dominate those institutions and use the resulting influence to gain power at the United States' expense.

Third, U.S. policymakers should ensure that they create a formidable bounded order that can contain Chinese expansion. That task mandates creating economic institutions such as the Trans-Pacific Partnership and a military alliance in Asia that is similar to NATO during the Cold War. In the process, the United States should go to great lengths to pull Russia out of China's orbit and integrate it into the U.S.-led order.

In sum, the time has come for the U.S. foreign policy establishment to recognize that the liberal international order was a failed enterprise with no future. The orders that will matter for the foreseeable future are realist orders that must be fashioned to serve the United States' interests.