

Why the Liberal World Order Will Survive

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The international order built and led by the United States and its partners is in crisis. In the Middle East, East Asia, and even in Western Europe, long-standing regional orders are in transition or breaking down. Global international agreements and institutions—across the realms of trade, arms control, environment, human rights—seem to be weakening. For seventy years the United States has stood at the center of a Western-oriented, liberal international system, organized around openness, rules, and multilateral cooperation. After the cold war this American liberal hegemonic order spread outward and seemed to offer the world a universal logic for global politics. But that unipolar moment has now passed. Today, the United States and the Western industrial democracies, roiled by nationalist and populist upheavals, have turned inward and appear less committed to their own post-war liberal international project.

The crisis of the American-led international order would seem to open up new opportunities for rising states—notably China, India, and other non-Western developing countries—to reshape the global order. But in what ways are rising states seeking to reform or reorganize the rules and institutions of the post-war era? Do they seek to rise up and integrate into the existing international order or do they seek to transform it? Are they “stakeholder” or “revisionist” states? Over the past decade, these questions have stood at the center of debates about the future of the global system. Indeed, the Obama administration placed the challenge of integrating rising states at the center of its foreign policy.¹ In the words of Secretary of State Hillary Clinton, the American goal was to create not a “multipolar” world order but a “multi-partner” one. A grand bargain seemed to be on offer: rising states would be welcomed into the leadership core of governance

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institutions in exchange for agreeing to embrace its rules and norms and shoulder greater burdens in providing public goods.² In the meantime, the 2008 financial crisis seemed to weaken and discredit aspects of the American-led liberal international order, creating opportunities for China in particular to advance claims for its own leadership. China's ambitious plans for the newly established Asian Infrastructure Investment Bank and the One Belt, One Road vision for Eurasian economic cooperation are striking reflections of shifting power relations and struggles over the terms of global order.³

In this essay I look at the evolving encounters between rising states and the post-war Western international order. My starting point is the classic “power transition” perspective. Power transition theories see a tight link between international order—its emergence, stability, and decline—and the rise and fall of great powers. It is a perspective that sees history as a sequence of cycles in which powerful or hegemonic states rise up and build order and dominate the global system until their power declines, leading to a new cycle of crisis and order building. In contrast, I offer a more *evolutionary* perspective, emphasizing the lineages and continuities in modern international order. More specifically, I argue that although America's hegemonic position may be declining, the liberal international characteristics of order—openness, rules, multilateral cooperation—are deeply rooted and likely to persist. This is true even though the orientation and actions of the Trump administration have raised serious questions about the U.S. commitment to liberal internationalism. Just as importantly, rising states (led by China) are not engaged in a frontal attack on the American-led order. While struggles do exist over orientations, agendas, and leadership, the non-Western developing countries remain tied to the architecture and principles of a liberal-oriented global order. And even as China seeks in various ways to build rival regional institutions, there are stubborn limits on what it can do.

POWER TRANSITIONS AND INTERNATIONAL ORDER

There is wide agreement that the world is witnessing a long-term global power transition. Wealth and power is diffusing, spreading outward and away from Europe and the United States. The rapid growth that marked the non-Western rising states in the last decade may have ended, and even China's rapid economic ascendancy has slowed. But the overall pattern of change remains: the “rest” are gaining ground on the “West.”

While there is wide agreement that the world is witnessing a global power transition, there is less agreement on the consequences of power shifts for international order. The classic view is advanced by realist scholars, such as E. H. Carr, Robert Gilpin, Paul Kennedy, and William Wohlforth, who make sweeping arguments about power and order.⁴ These hegemonic realists argue that international order is a by-product of the concentration of power. Order is created by a powerful state, and when that state declines and power diffuses, international order weakens or breaks apart. Out of these dynamic circumstances, a rising state emerges as the new dominant state, and it seeks to reorganize the international system to suit its own purposes. In this view, world politics from ancient times to the modern era can be seen as a series of repeated cycles of rise and decline. War, protectionism, depression, political upheaval—various sorts of crises and disruptions may push the cycle forward.

This narrative of hegemonic rise and decline draws on the European and, more broadly, Western experience. Since the early modern era, Europe has been organized and reorganized by a succession of leading states and would-be hegemons: the Spanish Hapsburgs, France of Louis XIV and Napoleon, and post-Bismarck Germany. The logic of hegemonic order comes even more clearly into view with Pax Britannica, the nineteenth-century hegemonic order based on British naval and mercantile dominance. The decline of Britain was followed by decades of war and economic instability, which ended only with the rise of Pax Americana. For hegemonic realists, the debate today is about where the world is along this cyclical pathway of rise and decline. Has the United States finally lost the ability or willingness to underwrite and lead the post-war order? Are we in the midst of a hegemonic crisis and the breakdown of the old order? And are rising states, led by China, beginning to step forward in efforts to establish their own hegemonic dominance of their regions and the world? These are the lurking questions of the power transition perspective.

But does this vision of power transition truly illuminate the struggles going on today over international order? Some might argue no—that the United States is still in a position, despite its travails, to provide hegemonic leadership. Here one would note that there is a durable infrastructure (or what Susan Strange has called “structural power”) that undergirds the existing American-led order.⁵ Far-flung security alliances, market relations, liberal democratic solidarity, deeply rooted geopolitical alignments—there are many possible sources of American hegemonic power that remain intact. But there may be even deeper sources of

continuity in the existing system. This would be true if the existence of a liberal-oriented international order does not in fact require hegemonic domination. It might be that the power transition theory is wrong: the stability and persistence of the existing post-war international order does not depend on the concentration of American power.

In fact, international order is not simply an artifact of concentrations of power. The rules and institutions that make up international order have a more complex and contingent relationship with the rise and fall of state power. This is true in two respects. First, international order itself is complex: multilayered, multifaceted, and not simply a political formation imposed by the leading state. International order is not “one thing” that states either join or resist. It is an aggregation of various sorts of ordering rules and institutions. There are the deep rules and norms of sovereignty. There are governing institutions, starting with the United Nations. There is a sprawling array of international institutions, regimes, treaties, agreements, protocols, and so forth. These governing arrangements cut across diverse realms, including security and arms control, the world economy, the environment and global commons, human rights, and political relations. Some of these domains of governance may have rules and institutions that narrowly reflect the interests of the hegemonic state, but most reflect negotiated outcomes based on a much broader set of interests.

As rising states continue to rise, they do not simply confront an American-led order; they face a wider conglomeration of ordering rules, institutions, and arrangements; many of which they have long embraced. By separating “American hegemony” from “the existing international order,” we can see a more complex set of relationships. The United States does not embody the international order; it has a relationship with it, as do rising states. The United States embraces many of the core global rules and institutions, such as the United Nations, International Monetary Fund (IMF), World Bank, and World Trade Organization. But it also has resisted ratification of the Law of the Sea Convention and the Convention on the Rights of the Child (it being the only country not to have ratified the latter) as well as various arms control and disarmament agreements. China also embraces many of the same global rules and institutions, and resists ratification of others. Generally speaking, the more fundamental or core the norms and institutions are—beginning with the Westphalian norms of sovereignty and the United Nations system—the more agreement

there is between the United States and China as well as other states. Disagreements are most salient where human rights and political principles are in play, such as in the Responsibility to Protect.

Second, there is also diversity in what rising states “want” from the international order. The struggles over international order take many different forms. In some instances, what rising states want is more influence and control of territory and geopolitical space beyond their borders. One can see this in China’s efforts to expand its maritime and political influence in the South China Sea and other neighboring areas. This is an age-old type of struggle captured in realist accounts of security competition and geopolitical rivalry. Another type of struggle is over the norms and values that are enshrined in global governance rules and institutions. These may be about how open and rule-based the system should be. They may also be about the way human rights and political principles are defined and brought to bear in relations among states. Finally, the struggles over international order may be focused on the distribution of authority. That is, rising states may seek a greater role in the governance of existing institutions. This is a struggle over the position of states within the global political hierarchy: voting shares, leadership rights, and authority relations.⁶

These observations cut against the realist hegemonic perspective and cyclical theories of power transition. Rising states do not confront a single, coherent, hegemonic order. The international order offers a buffet of options and choices. They can embrace some rules and institutions and not others. Moreover, stepping back, the international orders that rising states have faced in different historical eras have not all been the same order. The British-led order that Germany faced at the turn of the twentieth century is different from the international order that China faces today. The contemporary international order is much more complex and wide-ranging than past orders. It has a much denser array of rules, institutions, and governance realms. There are also both regional and global domains of governance. This makes it hard to imagine an epic moment when the international order goes into crisis and rising states step forward—either China alone or rising states as a bloc—to reorganize and reshape its rules and institutions. Rather than a cyclical dynamic of rise and decline, change in the existing American-led order might best be captured by terms such as continuity, evolution, adaptation, and negotiation. The struggles over international order today are growing, but it is not a drama best told in terms of the rise and decline of American hegemony.

SOURCES OF CONTINUITY IN LIBERAL INTERNATIONAL ORDER

If the liberal international order endures, it will be because it is based on more than American hegemonic order. To be sure, the United States did give shape to a distinctive post-war liberal hegemonic system, and many of its features—including the American-led alliance system and multilateral economic governance arrangements—are themselves quite durable. But the broader features of the modern international order are the result of centuries of struggle over its organizing principles and institutions. Rising states face an international order that is long in the making, one that presents these non-Western developing states with opportunities as well as constraints. The struggles over the existing international order will reshape the rules and institutions in the existing system in various ways. But rising states are not simply or primarily “revisionist” states seeking to overturn the order; rather, they are seeking greater access and authority over its operation. Indeed, the order creates as many safeguards and protections for rising states as it creates obstacles and constraints. For example, the World Trade Organization provides rules and mechanisms for rising states to dispute trade discrimination and protect access to markets. After all, more generally, it was this liberal-oriented international order—its openness and rules—that provided the conditions for China and other rising states to rise. Indeed, if the liberal international order survives, it will be in large part due to the fact that the constituencies for such an order that stretch across the Western and the non-Western worlds are larger than the constituencies that oppose it. We can look more closely at these sources of continuity and constituency.

Long-Term Ordering Projects

The existing international order is not just the product of American power but of two long-term internationalist projects. One is what can be called the Westphalian project. Beginning in the seventeenth century and continuing through to the present, European states—and later the wider world—have struggled to create and expand the rules and institutions of the sovereign state system. The Peace of Westphalia of 1648 is widely seen as a watershed moment when norms of state sovereignty were put at the center of an evolving European political order. The founding principles of the Westphalian system—sovereignty, territorial integrity, and nonintervention—reflected an emerging consensus that states were the rightful political units for the establishment of legitimate rule. Over the centuries other

norms and principles, such as self-determination and nondiscrimination, were added and elaborated within the evolving Westphalian system. The post-war settlements of 1713, 1815, 1919, and 1945 provided historical moments when these organizing ideas were hammered out.

Westphalian norms of sovereignty were originally only a European project, but in the twentieth century they went global. Under the banner of sovereignty and self-determination, political movements for decolonization and independence were set in motion in the non-Western developing world. Westphalian norms have been violated and ignored at times, but they have been the most salient and agreed upon rules and principles of international order in the modern era. “The genius of the Westphalian system, and the reason it spread across the world,” as Henry Kissinger argues, “was that its provisions were procedural, not substantive.” If a state agreed to the basic rules of the Westphalian system, “it could be recognized as an international citizen able to maintain its own culture, politics, religion, and internal policies, shielded by the international system from outside intervention.”⁷ The Westphalian state system was European in origin, but within its organizational logic were inchoate universal ideas that were seized upon by other peoples and societies around the world.

It was this globalizing Westphalian system that provided the foundation for the liberal international project. Fundamentally, the liberal project has entailed efforts by liberal great powers to orient world politics in the direction of openness and at least loosely rule-based relations. Beyond this, the liberal project has had a diversity of visions and agendas, including open markets, multilateral institutions, cooperative security, shared sovereignty, and the rule of law. In the nineteenth century the liberal project was manifest in Britain’s championing of free trade and freedom of the seas. The emerging Western liberal democracies pursued various sorts of “internationalisms” in areas such as commerce, law, war and peace, and social justice. In the twentieth century the liberal project was pushed forward by the United States and its partners after the two world wars. After World War II the American architects of post-war order, drawing lessons from the Wilsonian failure and incorporating ideas from the New Deal period, also advanced more ambitious ideas about economic and political cooperation embodied in the Bretton Woods institutions. As the cold war unfolded, in both security and economic realms, the United States found itself taking on new commitments and functional roles. Its own economic and political system became, in effect, the central component of the larger liberal hegemonic order.⁸

Both projects—the Westphalian and liberal internationalist—were founded on ideas that were implicitly universal in their normative and legal-political scope. The struggles and upheavals of the twentieth century, most notably the collapse and defeat of the great empires and the spread of nationalism and de-colonialization movements, pushed and pulled these ideas outward. Liberal internationalism across the last two centuries has been premised on a stable system of states. Wilsonian-era liberal internationalism coopted Westphalian notions of sovereignty and self-determination, even if Wilson himself did not fully acknowledge nationalist aspirations outside the West. Roosevelt-era liberal internationalism went further and sought to empower states to pursue progressive goals of social and economic rights and protections. To be sure, some strands of liberal internationalism—particularly the recent norm of Responsibility to Protect—argue for abridgements of sovereignty, giving the international community rights and obligations to intervene in societies to protect lives. But the great expanse of Westphalian and liberal international rules and norms are deeply embedded in a widely agreed upon vision of the modern foundations of world politics. Rising states are operating within this broad framework of ordering rules and institutions.

Self-Reinforcing Characteristics of Liberal International Order

The United States has dominated the post-war international order. It is an order built on asymmetries of power; it is hierarchical. But it is not an imperial system. It is a complex and multilayered political formation with liberal characteristics—openness and rules-based principles—that generate incentives and opportunities for other states to join and operate within it.

Four characteristics reinforce and draw states into the order. First, it has integrative tendencies. Over the last century states with diverse characteristics have found pathways into its “ecosystem” of rules and institutions. Germany and Japan found roles and positions of authority in the post-war order; and after the cold war many more states—in Eastern Europe, Asia, and elsewhere—have joined its economic and security partnerships. It is the multilateral logic of the order that makes it relatively easy for states to join and rise up within the order. Second, the liberal order offers opportunities for leadership and shared authority. One state does not “rule” the system. The system is built around institutions, and this provides opportunities for shifting and expanding coalitions of states to share leadership. Formal institutions, such as the IMF and World

Bank, are led by boards of directors and weighted voting. Informal groups, such as the G-7 and G-20, are built on principles of collective governance. Third, the actual economic gains from participation within the liberal order are widely shared. In colonial and informal imperial systems, the gains from trade and investment are disproportionately enjoyed by the lead state. In the existing order, the “profits of modernity” are distributed across the system. Indeed, China’s great economic ascent was only possible because the liberal international order rewarded its pursuit of openness and trade-oriented growth. For the same reason, states in all regions of the world have made systematic efforts to integrate into the system. Finally, the liberal international order accommodates a diversity of models and strategies of growth and development. In recent decades the Anglo-American model of neoliberalism has been particularly salient. But the post-war system also provides space for other capitalist models, such as those associated with European social democracy and East Asian developmental statism. The global capitalist system might generate some pressures for convergence, but it also provides space for the coexistence of alternative models and ideologies.

These aspects of the liberal international order create incentives and opportunities for states to integrate into its core economic and political realms. The order allows states to share in its economic spoils. Its pluralistic character creates possibilities for states to “work the system”—to join in, negotiate, and maneuver in ways that advance their interests. This, in turn, creates an order with expanding constituencies that have a stake in its continuation. Compared to imperial and colonial orders of the past, the existing order is easy to join and hard to overturn.

What Rising States Want

The liberal international order was built by the Western liberal democracies, but its basic features do not exclusively advance the interests of these countries. In fact, as China and other non-Western developing states rise, they have already demonstrated a growing interest in the perpetuation of some sort of open and multilateral global system. These countries may not want Western dominance of global institutions, but they want the West’s rules and organizational principles.

These rising states certainly want an open world economy. They want access to other countries for trade, investment, and technology. It is their outward-oriented development strategies that have propelled them forward. The ascent of these countries began in the late 1980s with broad-gauged reform efforts. Countries

such as Brazil, India, Indonesia, South Africa, and Turkey broke with their closed, authoritarian pasts and moved toward more reform-oriented and accountable governments. Together with China, these countries opened up to the world economy. As Ted Piccone argues, they all “entered the global marketplace through an increasing reliance on international trade, migration, remittances, energy, and foreign investment flows.”⁹ This liberalization and economic openness has come along with a mix of nationalist and populist appeals, and ideological critiques of Western neoliberalism. More generally, however, these rising states see their prospects for growth and advancement to be tied to engagement with and integration into a reformed and open world economy.

The rising non-Western states also have an interest in the preservation—and perhaps the expansion—of a rules-based international system. A multilateral system of rules and institutions offers rising states some measure of protection and equal treatment. As John Ruggie argues, multilateralism is an “institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct: that is, principles which specify appropriate conduct for a class of actions.”¹⁰ Multilateralism gives relations among states a rule-based character. The more rule-based the order is, the less it is subject to the straightforward domination of powerful states. This sort of system of governance should be attractive to weak and peripheral states. So, too, as rising states gain in wealth and standing, they will want a rule-based system to protect their gains. One fear of these states is that they will face discrimination and marginalization. In the trade area, for example, the World Trade Organization is attractive to rising states because of its multilateral principle of equal and most-favored nation treatment.

For these reasons, rising states have incentives to be stakeholders in some sort of updated and reformed liberal international order. As Miles Kahler argues, Brazil, China, and India have shown themselves to be the “conservative globalizers.” None is directly allied with the United States, yet each has made “large bets on opening its economy and breaking with a more autocratic past”; and along the way their “populations have endorsed the benefits of trade and foreign investment, providing a political base for this turn to the global economy.”¹¹ Rising states want predictable and fair-minded access to and treatment within an open global system. They resist the political domination of existing global institutions by Western powers. But the remedy for this problem is actually the *deepening* of the foundations of an open and rule-based order, not its destruction.

Competitive Order Building

Even if we were to assume that China, as the leading non-Western state, wanted to undermine and replace the existing liberal international order, the constraints on doing so are overwhelming. Presumably, an alternative order would be less open and less rule-based. Historically, such orders have been organized into various illiberal political formations: regional groupings, imperial zones, spheres of influence, and closed autarkic blocs. How might China and other rising states build a comprehensive alternative to the existing order?

As a start, China would need to be able to come forward with some alternative set of rules and institutions, presumably reflecting an alternative model of political and economic organization. This might be a so-called “Beijing Consensus,” an international order that accommodated (and even promoted) illiberal and authoritarian polities and statist economic relations. China does have its own statist approach, but it is not clear how this approach might work as a wider model of global order. First, China’s mercantilist strategy seems to work best when the rest of the world is relatively open and liberal in orientation. A closed world in which great powers carve out spheres of influence cuts off China from markets and investment opportunities. If all the countries of the world adopted the Chinese model, this would restrict China’s market space and leadership opportunities. Second, a Chinese-led illiberal international order would require some buy-in by other states, and this is also problematic. China is the largest and leading non-Western developing country, but it is the only rising state that is genuinely illiberal and authoritarian. It is not clear that Brazil, India, South Africa, or even Turkey is eager to embrace and operate within a Beijing consensus.

If China were to try to promulgate a Sino-centered order—a hegemonic/imperial order that did not immediately rest on the consent and cooperation of other states—it would face very steep costs. If these potential partner states did not experience substantial material benefits from participating in the Chinese-led order, China would need to spend resources to entice and bully these states into cooperation. This would be a very huge task for a developing country with mid-range per capita income. Over the longer term, the success of a Chinese-centered order would depend on its ability to “outcompete” liberal internationalism. But the less the rival order is open and negotiated, and the less that China—as a rival hegemon—is willing to exercise restraint and provide public goods, the greater the difficulty it will have in establishing a viable and legitimate alternative.¹²

CONCLUSION

China and other rising states have growing opportunities to shape the rules and institutions of the existing system. But it is very unlikely that they will do so as part of a “power transition” moment, that is, a dramatic moment when the old order is overturned and rising states step forward to build a new one. In the past such moments tended to come after destructive great-power wars; but in an age of nuclear weapons, great-power wars are less likely, and so the geopolitical opportunities to “start from scratch” do not (and will not) exist. At the same time, the rising states are already deeply embedded in the existing modern international order. Their “rise” has been made possible by the openness and loosely rule-based character of the post-war system.

Seen in this light, it might actually be the rising states that become the new constituencies for liberal internationalism, while support in the old Western industrial democracies wanes. This would be ironic. After all, these non-Western states were not “present at the creation” of the post-war liberal order. A hint of this possibility emerged in January 2017 at the World Economic Forum in Davos, where Chinese President Xi offered a full-throated defense of the open, multilateral trade system, while in Washington, President Trump threatened to pull back from various regional trade agreements. Either way, whether it is the West or the rest that poses the greater challenge to the existing order, its basic elements will likely outlast American hegemony.

NOTES

- ¹ See Obama administration, “The National Security Strategy of the United States of America,” Washington, D.C.: The White House, September 2002.
- ² For an overview of the “rise and fall” of rising states during the Obama years, see Suzanne Nossel, “The World’s Rising Powers Have Fallen,” *Foreign Policy*, July 6, 2016, foreignpolicy.com/2016/07/06/brics-brazil-india-russia-china-south-africa-economics-recession/.
- ³ For a survey of debates about rising states and global governance, see Amitav Acharya, ed., *Why Govern? Rethinking Demand and Progress in Global Governance* (Cambridge: Cambridge University Press, 2016).
- ⁴ E. H. Carr, *The Twenty Years’ Crisis, 1919–1939: An Introduction to the Study of International Relations* (London: Macmillan, 1951); Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981); Paul M. Kennedy, *The Rise and Fall of the Great Powers* (New York: Random House, 1987); and William Wohlforth, “The Stability of a Unipolar World,” *International Security* 24, no. 1 (1999).
- ⁵ See Susan Strange, “The Persistent Myth of Lost Hegemony,” *International Organization* 41, no. 4 (1987), pp. 551–74; and Susan Strange, *States and Markets: An Introduction to International Political Economy* (London: Pinter Publishers, 1988).
- ⁶ For a discussion of the goals and interests of rising states, see Randall Schweller, “Managing the Rise of Great Powers: History and Theory,” in Alastair Iain Johnston and Robert S. Ross, eds., *Engaging China: The Management of an Emerging Power* (Abingdon, U.K.: Routledge, 1999), pp. 1–31.
- ⁷ Henry Kissinger, *World Order* (New York: Penguin Press, 2014), p. 27.

- ⁸ G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2011).
- ⁹ Ted Piccone, *Five Rising Democracies and the Fate of the International Liberal Order* (Washington, D.C.: Brookings Institution, 2016), p. 5.
- ¹⁰ John G. Ruggie, ed., *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press, 1993), p. 11.
- ¹¹ Miles Kahler, "Conservative Globalizers: Reconsidering the Rise of the West," *World Political Review*, February 2, 2016. See, also, Miles Kahler, "Who Is Liberal Now? Rising Powers and Global Norms," in Acharya, *Why Govern?*
- ¹² See G. John Ikenberry and Darren Lim, "China's Emerging Institutional Statecraft: The Asian Infrastructure Investment Bank and the Prospects for Counter-Hegemony," Brookings Institution Report (Project on International Order and Strategy), Washington, D.C., April 2017.

Abstract: The crisis of the American-led international order would seem to open up new opportunities for rising states—led by China, India, and other non-Western developing countries—to reshape the global order. As their capacities and influence grow, will these states rise up and integrate into the existing order or will they seek to overturn and reorganize it? The realist hegemonic perspective expects today's power transition to lead to growing struggles between the West and the "rest" over global rules and institutions. In contrast, this essay argues that although America's hegemonic position may be declining, the liberal international characteristics of order—openness, rules, and multilateralism—are deeply rooted and likely to persist. And even as China seeks in various ways to build rival regional institutions, there are stubborn limits on what it can do.

Keywords: hegemony, American power, rising states, liberal international order, liberal internationalism, multilateralism, power transitions