Trump and the Future of the Liberal World Order

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Troubled Times

-- 2016 as a global moment

-- Brexit and Trump

-- Anglo-American era of liberal internationalism → is it ending?

-- Arnold Toynbee, watching the 1930s: “history is again on the move....” So too today.
Troubled Times for the Liberal Democracies

It was only 25 years ago that liberal democracy seemed to be on the march

-- waves of countries made transitions to democracy

-- Eastern Europe, Southern Europe, South America, and East Asia

-- “walls” were coming down

It was also a moment when the “liberal international order” seemed to be triumphant

-- governance institutions expanded ➔ G7 to G20

-- NATO and the EU moved “east”

-- China joined the WTO

-- ideological rivals of liberal democracy were no where to be found
Troubled Times for the Liberal Democracies

Indeed, it was a moment when thinkers pronounced that democracy was the new global norm

-- Frances Fukuyama made famous argument ➔ the “end of history”

-- the Nobel Prize winning economist ➔ Amartya Sen argued:

    -- democracy has become a “universal value,” having “achieved the status of being taken to be generally right.”

1990s ➔ democracy seen as a universally valid normative ideal
This Triumphalist Era is Now Order

The signs of crisis are everywhere:

-- the 2008 financial crises and Great Recession might have been a turning point

-- Russia and China are pushing back

-- rise of reactionary politics in liberal democracy

⇒ the “new authoritarianism”

-- Europe – the “silent bulwark” of internationalism -- is in crisis

⇒ the Euro has faltered, refugees flood Europe, and Britain is leaving the EU
This Triumphantist Era is Now Over

Perhaps most worrisome ➔ the United States – the linchpin of the global liberal order

-- polarized politics, mistrusted institutions, stagnant middle class, rising inequality

-- Trump ➔ raises question of America’s 70 year commitment to building and upholding a liberal international order

-- on trade, alliances, torture, immigration, and constitutional rights, Trump has made pronouncements that – if implemented – could effectively bring this American-led system down

-- Trump ➔ not just his policies, but his casual disregard for the Constitution, rule of law, facts, due diligence, science, reasoned discourse
“These smug pilots have lost touch with regular passengers like us. Who thinks I should fly the plane?”
The Crisis of Liberal Democracy

Existential questions about the liberal democratic “way of life” are being raised:

New York Times pundit, writing at end of 2015:

“There in the dying days of 2015... Something seems to have shifted. For the first time in a generation, the theme of this year was the liberal order’s vulnerability, not its resilience. 2015 was a memento mori moment for our institutions, a year of cracks in the system, of crumbling firewalls, of reminders that all order pass away.”

Edward Luce (Financial Times)

“We must cast a skeptical eye on what we have learnt never to question. . .

There is no political finale toward which history is guiding us. . . . It is a timeless repetition of folly and correction.”

Even Frank Fukuyama now talks about “political decay.”
Debates about the Future of Democracy

How bad is it? How deep are underlying causes?

-- is it temporary ➔ what is needed is renewed growth and change of leadership?

-- is it a problem of the American-led liberal order ➔ we are losing the “global framework” that supports liberal democracy and stable relations?

 ➔ the future will depend on building a post-American international order

-- are the problems deeper, with liberalism and democracy themselves?

 ➔ for 200 years, “liberal modernity” has propelled democracy forward ➔ but this has ended
The problems facing liberal democracy run deep, but it still has a future

-- democracies have been “down” before – think the 1930s – and they have come back

-- the have a capacity for “learning and self correction”

-- in the end, there are no great alternatives to liberal democracy

→ it is a uniquely legitimate type of political regime

→ and the “liberal international order” is the only type of order that can tackle 21st century problems
What we know about liberal democracy -- 5 points

1- the rise of democracy was a long and slow process

-- 200 years ago, in wake of American and French revolutions, democracy was not seen as the wave of the future

-- but it gained strength and spread over the eras – in three “waves”

-- 1st wave in 19th century ➔ 29 democracies (Europe and Latin America, until 1922)

-- 2nd wave after 1945 ➔ 36 democracies (following decolonization and independence movements)

-- 3rd wave began in 1970s ➔ Latin America, East Asia (South Korea, Philippines Taiwan), Eastern Europe, Southern Europe ➔ over 100 democracies worldwide today
Number of nations scoring 8 or higher on the Polity IV scale 1800-2003

Three waves of democracy:
- Aftermath of World War I
- Decolonization
- Fall of communism
Angus Maddison GDP data

Democratic Share of Global GDP

Brief Description:
Take Way: Democratic share of global GDP is far higher, over 80%, than any other measure of national power.
What we know about liberal democracy -- 5 points

2- democracies that prospered were “liberal democracies”

-- that is, they were not “direct” or “populist” democracies ➔ they were built on “republican” and rule of law foundations

-- specifically, two elements were added to democracy to restrain populism and power:

-- constitutionalism and checks and balances -- emerging out of republican theory

-- rights, protected from majoritarianism – speech, religion, free press, etc.

-- the rise of “illiberal democracy” today – including in the U.S. – involves the erosion of these “buffers”
What we know about liberal democracy -- 5 points

3- we don’t know why countries become democracies – we can’t “predict” it

⇒ but once democratic, “wealthy” countries are more likely to remain democratic

-- no country with a per capita income higher than $6,055 has ever had its democracy overturned

  (this was income of Argentina, which fell in 1975 to military rule)

-- Adam Przeworski: “Affluent democracies survived wars, riots, scandals, economic crisis, government crisis, hell or high water”

⇒ Today, Turkey’s authoritarian descent seems to shake up this “iron law” – it has a per capita income greater than Argentina did

-- this is a new worry ⇒ democracy ends not by coup or revolution but “slow erosion”
What we know about liberal democracy -- 5 points

4- democracies need a congenial international order to thrive

-- the great expansion of democracy in East Asia and Europe was supported by the U.S. and the E.U.

⇒ East Asia – alliance system and U.S. influence played role in democratic transitions

-- South Korea, the Philippines, Taiwan, Thailand, etc.

⇒ the E.U. and NATO provided support and “frameworks” for Eastern European transitions

-- the worry today: these supportive “frameworks” are weakening
What we know about liberal democracy -- 5 points

5- liberal democracies have had a unique capacity to build international order

-- there is a “liberal accomplishment” that needs to be remembered

-- the U.S. and its democratic allies built the post-1945 liberal order – open, loosely rules-based, and progressively oriented

-- there is a long list of accomplishments
Liberal International Accomplishment

United Nations (San Francisco, 1945)
-- various functions UN organizations and conferences

Trade and Economic Openness
-- RTAA of 1934
-- GATT and WTO
-- Bretton Woods (IMF and World Bank)
-- Export Import Bank

Human Rights
-- Universal Declaration of 1947
-- Nuremberg and Tokyo War Crimes Tribunals
-- outlawing of extreme human rights abuses, such as genocide and torture

International Arms Control
-- Truman’s Baruch Plan
-- Eisenhower’s Atoms for Peace and Open Skies
-- US-Soviet nuclear arms control treaties of Kennedy, Johnson, and Nixon Years
-- the Non-Proliferation Treaty
-- sweeping arms reduction treaties of Reagan and H.W. Bush ending Cold War

Global Commons and Environment
-- Outer Space Treaty
-- Law of Sea Treaty
-- international regimes for telecommunications and air travel
-- regimes to combat pollution of the oceans, stratospheric ozone depletion, the protection of endangered species and wildlife, and abatement of gases contributing to global warming
What Has Happened?

1- the economic story

-- new reality ➔ slow growth, stagnant incomes, and rising inequality in the old liberal democracies

-- the postwar constituencies for democracy and liberal international order are losing

-- for example, in the U.S. ➔ 100% of gains in wealth in last two decades have gone to the top 20%

-- at global level ➔ double problem: rising inequality and changing distribution of winners and losers

-- this is captured in Branko Milanovic’s “elephant curve”
Real income gains (in $PPP) at different percentile of global income distribution 1988-2008
What Has Happened?

1- the economic story (cont.) ➔ profound implications:

-- middle class and working class is under pressure

a- less tolerant of immigrants, trade openness, and “multiculturalism”

b- suspicious of “traditional elites” – who are captive of international capitalism

c- less likely to support “internationalism” – UN, humanitarianism, democracy promotion, allies, etc.
What has Happened?

2- the political story

-- within the U.S. and across democratic world ➔ a weakening of democratic/civic norms and culture

-- erosion of public confidence in press/experts/elites

-- decline of political parties

-- less “idealism” about the virtues/values of democracy (which is true around the world)
Percentage of people who say it is “essential” to live in a democracy

Decade of birth

1930s 1980s ’30s ’80s ’30s ’80s ’30s ’80s ’30s ’80s

95% confidence intervals
What has Happened?

3- the international story ➔ weakening of liberal international order

a- a global “power transition” -- the old “patrons” of liberal order are growing weaker relative to rising non-Western states, led by China

-- U.S. less willing and able to play “hegemonic role” – with Trump adding more uncertainty

-- rising states seek more “voice” and “influence,” but bargains and transitions have stalled

b- new problems of “interdependence” are extremely difficult to solve

-- nuclear proliferation, health pandemics, financial stability, global warming
What has Happened?

c- expanded number and diversity of states that must be part of the governance process

-- G-7 to G-20

-- greater diversity of values, visions, historical grievances, geopolitical agendas

-- leadership and generating agreements is harder
What has Happened?

d- U.S.-China rivalry makes cooperation on global governance more difficult

   -- the security order no longer reinforces multilateral cooperation ➔ the old “trilateral core”
   can no longer support the global order


e- the “liberal internationalist project” – the idea that liberal democracies can cooperation to generate progress” – has weakened

   -- across the liberal democratic world something has been lost ➔ a sense that the future will be better
The future of liberal international order?

-- can connection between national “progress” and international liberal order be reestablished?

  ➔ requires some sort of post-neo-liberal vision of trade and openness

-- can reforms and new bargains between old and rising states reestablish a cooperative system of governance?

-- if the old sources of solidarity within liberal international order (shared values and shared interests) are weak, can a third source of solidarity (mutual vulnerability) be sufficient for building order and cooperation?

  ➔ mutual vulnerability – climate change, nuclear proliferation, etc.
Kennan concludes his analysis with this point about the struggle between America and the Soviets:

(3) Much depends on health and vigor of our own society. World communism is like malignant parasite which feeds only on diseased tissue. This is point at which domestic and foreign policies meets. Every courageous and incisive measure to solve internal problems of our own society, to improve self-confidence, discipline, morale and community spirit of our own people, is a diplomatic victory over Moscow worth a thousand diplomatic notes and joint communiqués. If we cannot abandon fatalism and indifference in face of deficiencies of our own society, Moscow will profit--Moscow cannot help profiting by them in its foreign policies.
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Implications and Discussion

1- internationalism seems less deeply anchored in advanced democracies
   -- nationalism and populism on the rise
   -- internationalism “on stilts”

2- loss of sense of solidarity among liberal democracies
   -- the “moral foundations” of liberal internationalism have weakened

3- over last 200 years ➔ liberal internationalism tied to “progressive” movements within liberal democracies
   -- what happens when this connection is broken, or when “progress” in the old sense – of each generation doing better than the last – ends?
Should the U.S. play an active part or stay out of global affairs?