

American Democracy Promotion: Impulses, Strategies, and Impacts

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America's Liberal Grand Strategy: Democracy and National Security in the Post-War Era

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Abstract and Keywords

Analyses democracy promotion as part of America's 'liberal grand strategy', i.e. the notion that the US is better able to pursue its interests, reduce security threats, and foster a stable political order when other states are democracies. It provides answers to the following questions: What are the elements of the liberal grand strategy? Why has it been so persistent? Which groups support it within the foreign policy community? How significant is the liberal democratic orientation in current American foreign policy?

Keywords: democracy promotion, foreign policy, liberal democracy, liberal grand strategy, national interests, security, USA

Introduction

It is thought by many that America's preoccupation with the promotion of democracy around the world is essentially an 'idealist' impulse rooted in the moralism and exceptionalism of the American political tradition. To the extent that this American preoccupation with democracy spills over into actual foreign policy, it is seen as the triumph of American ideas and ideology—often at the expense of the more sober pursuit of American national interests. At best, the American democratic impulse is a minor distraction, rhetorical window dressing fashioned to make foreign policy commitments more acceptable to the American public. At worst, it is a dangerous and overweening moralistic zeal, built around profound

misconceptions about how international politics really operates, and fuelling periodic 'crusades' to remake the world—and, as Woodrow Wilson discovered after 1919, this democratic impulse can get the country in serious trouble.

This common view is wrong. The American promotion of democracy abroad in the broadest sense, particularly as it has been pursued after World War II, reflects a pragmatic, evolving, and sophisticated understanding of how to create a stable international political order and a congenial security environment: what might be called an American 'liberal' grand strategy.¹ This orientation sees the character of the domestic regimes of other states as hugely important for the attainment of American security and material interests. Put simply, the United States is better able to pursue its interests, reduce security threats in its environment, and foster a stable political order when other states—particularly the major great powers—are democracies rather than non-democracies. This view is not an idealist preoccupation but a distinctively American (p.104) national security orientation that helps explain the American encouragement of democracy abroad as well as the wider imprint that the United States has left on the post-war world.

The argument of this chapter is three-fold. First, the American preoccupation with democracy promotion is part of a larger liberal view about the sources of a stable, legitimate, secure, and remunerative international order. This liberal orientation may be intellectually right or wrong, historically successful or unsuccessful, and in a given American foreign policy episode it may be a dominant or recessive characteristic. But it is a relatively coherent orientation rooted in the American political experience and an understanding of history, economics, and the sources of political stability. This American liberal grand strategy can be contrasted with more traditional grand strategies that grow out of the realist tradition and the foreign policy practices of balance of power, *Realpolitik*, and containment.

Second, this distinctively American liberal grand strategy is built around a wide-ranging set of claims and assumptions about how democratic politics, economic interdependence, international institutions, and political identity contribute independently and together to encourage stable and mutually acceptable political order. The richness and persistence of this American orientation is due in part to its manifold character; it is not just a single theoretical claim—for example, power transitions cause wars, democracies do not fight each other, stable order is built on a balance of power—but is a composite view built on a wide range of related claims about democracy, interests, learning, institutions, and economic change. Its richness and

persistence is also due to the fact that various aspects of the liberal grand strategy are argued by different groups in the foreign policy community—this is what makes it a composite but also so stable. Some stressed democracy promotion, some stressed free trade and economic liberalization, and others stressed the construction of ambitious new international and regional economic and security institutions. But these separate emphases and agendas complemented each other—and together they came to constitute a liberal grand strategy.

Third, the dominance and appeal of this liberal grand strategy have survived the end of the cold war, even as most observers of American foreign policy do not fully recognize its character or accomplishments. It is an orientation that unites factions of the left and the right in American politics. Conservatives point to Ronald Reagan as the great cold war champion of the free world, democracy, and self-determination—ironically, Reagan is the great Wilsonian of our age. Liberals emphasize the role of human rights, multilateral institutions, and the progressive political effects of economic interdependence. For all the talk about drift and confusion in contemporary American foreign policy, the United States is seized by a robust and distinctive grand strategy.

I begin by sketching the basic debate about democracy promotion and American foreign policy, which took shape in the inter-war and post-war decades. Following this, I argue that the United States pursued two basic types of order-building strategies after World War II. One strategic orientation (p.105) emerged really as a response to the rise of Soviet power and the cold war—which culminated in the containment order. The other strategic orientation, which is more difficult to capture in a single set of policies, was aimed at restoring stable and open relations among the major democracies. It is this second order that bears the marks of America's liberal order-building designs. In the next section, I sketch the major claims that are brought together as liberal grand strategy and trace these claims to positions and groups within the foreign policy community. Finally, I reflect on the significance of this liberal democratic orientation for the current debate about American foreign policy.

Liberalism, Realism, and the Great Debate

The idealist image of American liberal internationalists was fixed in the intellectual and popular imagination during the great world upheavals of the 1930s and 1940s. The seeming inability of the Wilsonian agenda to

create order after 1919—the debacle of the League of Nations and the rise of German and Japanese revisionist power in the 1930s—discredited liberal internationalism and set the stage for the introduction of ‘realist’ thinking into American foreign policy. It was easy to argue that liberals had fundamentally misread the character of twentieth century world politics, putting the country at danger by substituting utopian thought and moral appeals for the more sober appreciation of material capabilities and power balancing. By the time the United States emerged as a hegemonic power after World War II, the great debate in American foreign policy was between an ascendant ‘realism’ and a beleaguered ‘idealism’.

In one sense, the realist charge that liberals were sentimental idealists was justified. Woodrow Wilson embraced the liberal internationalist agenda as he sought to shape the post-war order, and in doing so he gave it a moralist cast. As Wilson himself put it, foreign policy must not be defined in ‘terms of material interest’, and should be ‘more concerned about human rights than about property rights’. He brought to his political thinking and principles of political action deeply held religious and ethical beliefs that unified and defined his orientation toward the outside world. ‘In the conduct of foreign affairs’, Link notes, ‘this idealism meant for him the subordination of immediate goals and material interests to superior ethical standards and the exaltation of moral and spiritual purposes’. ²

Wilson's idealism had direct implications for his view about the goals of American foreign policy, including the centrality of democracy to the emerging international order. ‘His belief in the inherent goodness of man, in progress as the law of organic life and the working out of the divine plan in history, and in democracy as the highest form of government led him straight to the conclusion that democracy must some day be the universal rule of (p.106) political life.’ ³ When the United States was finally drawn into the European war, Wilson appropriated the ideas and proposals of the British and American peace movements, and, in competing with Lenin to define a new path away from the old and bloody power politics of Europe, gave liberal internationalism a moral, universal, and idealist face. ⁴

It was against this backdrop—the seeming impotence of Wilsonian ideas in the face of the brutal aggression of the 1930s and 40s—that realism took root in America. The first stroke was E. H. Carr's *Twenty Years' Crisis*, which was, as Stanley Hoffmann notes, ‘the work of a historian intent on deflating the pretences of Liberalism, and driven thereby to laying the foundations both of a discipline and of a normative approach, “realism,” that was to have

quite a future'.⁵ The liberals, Carr claimed, were seized by utopian illusions that were dangerously revealed when military aggression of Germany and Japan made a mockery of the Versailles order. Liberal democracy did succeed during the nineteenth century within a few countries, Carr observes. 'But the view that nineteenth-century liberal democracy was based, not on a balance of forces peculiar to the economic development of the period and the countries concerned, but on certain *a priori* rational principles which had only to be applied in other contexts to produce similar results, was essentially utopian; and it was this view which, under Wilson's inspiration, dominated the world after the first world war.'⁶ It was the triumph of this rationalist idealism in the 1919 settlement, so Carr argued, that set the stage for the violence and failures of the next two decades.

The second stroke was Hans Morgenthau, whose *Politics Among Nations* crystallized and brought to dominance the realist 'paradigm' for the study and conduct of foreign relations. This was a work that advanced a series of law-like precepts about international relations distilled from the nineteenth century and early twentieth century European diplomacy and balance of power politics. Like Carr, he too was intent on exposing the illusions of liberal idealism. Trained in international law and a refugee from Hitler's Germany, Morgenthau sought to disabuse Americans of their faith in law, morality, and mutual interest as foundations of world order. The remarkable and long-lived influence of Morgenthau's book, first published in 1948, was facilitated by emerging cold war hostilities, which only underscored the stark realities of *Realpolitik* and the balance of power.

But the ascent of realism was accomplished in part by the misrepresentation of liberal thinking about international relations. Pre-1914 writings by British and American liberals were actually quite materialist in their arguments about economics and politics. Apart from Wilson, the most famous early twentieth century liberal thinker who seemed to evince an idealist disregard for the realities (p.107) of power politics was Norman Angell. His 1909 book *The Great Illusion*, which was first published at the author's expense as an obscure essay but eventually became a world-wide best-seller with over a million copies in print, has long been cited as arguing that the rise of economic interdependence between nations made war impossible.⁷ But the book actually presented a more sophisticated argument about how interdependence altered the costs and benefits of territorial gains through war, and how in Europe the costs of disruption to trade and investment were greater than the fruits of territorial conquest. Angell sought to establish that: 'a nation's political and economic frontiers do not now necessarily coincide;

that military power is socially and economically futile, and can have no relation to the prosperity of the people exercising it; that it is impossible for one nation to seize by force the wealth or trade of another; . . . that, in short, even when victorious, war can no longer achieve those aims for which peoples strive.’⁸

When critics of Angell argued that the 1912 Balkan War seemed to disprove his theories, Angell replied: ‘War is not impossible . . . it is not the likelihood of war which is the illusion, but its benefits.’⁹ As Miles Kahler notes, Angell’s ‘underlying argument was not idealist, it was materialist: The contemporary state system and its competitive nationalism was a poor fit with underlying economic reality’.¹⁰ Angell and other liberals of that era were making arguments about the changing relationship between an increasingly interdependent world economy, a rising transnational society, and the military and political capacities of governments.

The liberal internationalists before and after World War I did not represent a coherent ‘school’ of thinking. The professionalization of the study of international relations had not yet taken off and liberal thinkers mingled with the League of Nations societies and peace movements. But rather than being unalloyed idealists, they were making arguments that were decidedly materialist and bear the marks of liberal thinking more generally: that modern industrialism and the expanding world economy were creating demands and incentives for new types of cooperative relations between states; that international institutions can and need to provide mechanisms for the governance of interstate relations; that free trade and open markets created opportunities for joint economic gains between countries; that new types of cosmopolitan identities and affiliations between societies were subversive of nationalism and facilitated international cooperation; and that democracy was a commanding force in history that had—or would—transform states and interstate relations.

Liberal thinking was cast in the shadows by the upheavals of world war and the cold war crisis. Not only was realist thinking seemingly more relevant in making sense of the realities twentieth-century world politics, it was more **(p.108)** coherent and straightforward as a doctrine that could inform American foreign policy. It was easy to conclude that the liberal doctrine—in the guise of Wilson’s statecraft at Versailles—had been tried and failed. It was also easy to confuse Wilson’s own idealism with the core of the tradition, and this confusion was quite useful to realists as they began the process of articulating realism within the academic and foreign policy community.

A great and single statement of 'liberal theory' and its implications for American foreign policy was never produced in the inter-war or post-war decades. Liberal internationalism remained a collection of arguments, assumptions, and constructs that were never fully pulled together as a coherent theory or doctrine.

The failure of liberal internationalism was most evident in the mid-twentieth century professionalizing world of international relations and in the American foreign policy establishment. But in the shadows it retained a presence in the practical work of American officials as they sought to rebuild order after World War II—particularly in the work to reconstruct Europe and open the post-war world economy. Ideas were brought forward from the Wilsonian and League of Nations era, but the agenda of liberal internationalism became more complex and multifaceted. It became less centred on the creation of global institutions and universal principles. Lessons were learned from the earlier period, and the inter-war problems of capitalism and the modern management of industrial societies infused the new post-war thinking. But liberal ideas and accomplishments remained obscured by the cold war.

The Liberal Post-War Settlement

Even as liberal internationalism experienced a practical breakthrough after World War II, its agenda remained scattered and successes unheralded. In explaining this, it is useful to observe that American foreign policy after 1945 produced two post-war settlements. One was a reaction to deteriorating relations with the Soviet Union, and it culminated in the 'containment order'. It was a settlement based on the balance of power, nuclear deterrence, and political and ideological competition. The other settlement was a reaction to the economic rivalry and political turmoil of the 1930s and the resulting world war, and it culminated in a wide range of new institutions and relations among the Western industrial democracies—call it the 'liberal democratic order'. This settlement was built around economic openness, political reciprocity, and institutionalized management of an American-led liberal political order. ¹¹

The two settlements had distinct political visions and intellectual rationales, and at key moments the American president gave voice to each. On 12 March 1947, President Truman gave his celebrated speech before Congress announcing aid to Greece and Turkey, wrapping it in a new American commitment to **(p.109)** support the cause of freedom around the world. The Truman Doctrine speech was a founding moment of the 'containment

order’—rallying the American people to a new great struggle, this one against the perils of world domination by Soviet communism. A ‘fateful hour’ had arrived, Truman told the American people. The people of the world ‘must choose between two alternative ways of life’. If the United States failed in its leadership, Truman declared, ‘we may endanger the peace of the world’. ¹²

It is forgotten, however, that six days before this historic declaration, Truman gave an equally sweeping speech at Baylor University. On this occasion, Truman spoke of the lessons the world must learn from the disasters of the 1930s. ‘As each battle of the economic war of the thirties was fought, the inevitable tragic result became more and more apparent. From the tariff policy of Hawley and Smoot, the world went on to Ottawa and the system of imperial preferences, from Ottawa to the kind of elaborate and detailed restrictions adopted by Nazi Germany.’ Truman reaffirmed American commitment to ‘economic peace’, which would involve tariff reductions and rules and institutions of trade and investment. In the settlement of economic differences, ‘the interests of all will be considered, and a fair and just solution will be found’. Conflicts would be captured and domesticated in an iron cage of multilateral rules, standards, safeguards, and dispute resolution procedures. According to Truman, ‘this is the way of a civilized community’.

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The ‘containment order’ is well known in the popular imagination. It is celebrated in our historical accounts of the early years after World War II, when intrepid American officials struggled to make sense of Soviet military power and geopolitical intentions. In these early years, a few ‘wise men’ fashioned a coherent and reasoned response to the global challenge of Soviet communism. ¹⁴ The doctrine of containment that emerged was the core concept that gave clarity and purpose to several decades of American foreign policy. ¹⁵ In the decades that followed, sprawling bureaucratic and military organizations were built on the containment orientation. The bipolar division of the world, nuclear weapons of growing size and sophistication, the ongoing clash of two **(p.110)** expansive ideologies—all these circumstances gave life to and reinforced the centrality of the ‘containment order’.

By comparison, the ideas and policies of the liberal democratic order were more diffuse and wide-ranging. It was less obvious that the liberal democratic agenda was a ‘grand strategy’ designed to advance American security interests. As a result, during the cold war it was inevitable that this agenda would be seen as secondary—a preoccupation of economists and American business. The policies and institutions that supported free

trade and economic openness among the advanced industrial societies were quintessentially the stuff of 'low politics'. But this is an historical misconception. The liberal democratic agenda was built on a robust and sophisticated set of ideas about American security interests, the causes of war and depression, and the proper and desirable foundations of post-war political order. Indeed, although the 'containment order' overshadowed it, the ideas behind post-war liberal democratic order were more deeply rooted in the American experience and a thoroughgoing understanding of history, economics, and the sources of political order.

The most basic conviction behind the post-war liberal agenda was that the closed autarkic regions that had contributed to world depression and split the world into competing blocs before the war must be broken up and replaced by an open and non-discriminatory world economic system. Peace and security were impossible in a world of closed and exclusive economic regions. The challengers to liberal multilateralism occupied almost every corner of the advanced industrial world. Germany and Japan, of course, were the most overt and hostile challengers. Each had pursued a dangerous pathway into the modern industrial age that combined authoritarian capitalism with military dictatorship and coercive regional autarky. But the British Commonwealth and its imperial preference system was also a challenge to liberal multilateral order.¹⁶ The hastily drafted Atlantic Charter was an American effort to insure that Britain signed on to its liberal democratic war aims.¹⁷ The joint statement of principles affirmed free trade, equal access for countries to the raw materials of the world, and international collaboration in the economic field so as to advance labour standards, employment security, and social welfare. Roosevelt and Churchill were intent on telling the world that they had learned the lessons of the inter-war years—and those lessons were fundamentally about **(p.111)** the proper organization of the Western world economy. It was not just America's enemies, but also its friends, that had to be reformed and integrated.

It was in this context that the post-1945 settlement within the advanced industrial world can be seen. It was a scattering of institutions and arrangements, reflecting the lessons of the 1930s and the new imperatives that emerged from a collapsed war-ravaged world and a newly powerful America. The cold war did overpower the thinking of American officials sooner or later, but the principles and practices of Western order came earlier and survived longer. They were principles and practices that emerged as officials grappled with real post-war problems—the liberal post-war agenda emerged as officials sought to stabilize, manage, integrate, organize,

regulate, reciprocate, control, and achieve agreement. The specific ideas and operational visions can be identified more precisely and linked to the post-war transformation.

American Liberal Visions and Strategies

America's liberal grand strategy is an amalgam of related but distinct claims about the sources of political order—and each has been pushed into the post-war foreign policy process by different groups and parts of the foreign policy establishment. Post-war presidents have stressed different aspects of this agenda, even though the various strategies complement and reinforce each other. Five strategies can be identified, each with its own theory and claims about international relations and each with its own distinctive impact on American foreign policy. In each instance these are liberal ideas that emerge from the American experience and its conceptions of the sources of desirable political order.

Democracy and Peace

Ideas about democratic peace, traced to Kant and developed recently by many analysts, hold that liberal constitutional democracies—or what Kant called ‘republics’—tend to have peaceful relations with one another, because of both their internal structures and shared norms.¹⁸ Some argue that the structures of democratic government limit and constrain the types of conflicts over which democratic leaders can mobilize society. Others stress the norms of peaceful resolution of conflict and the ways in which reciprocal democratic legitimacy places limits on the use of violence, while others emphasize the effect of democratic institutions on information and signalling in strategic interaction. **(p.112)** Behind these institutional dynamics, others focus on the way in which democracies are built on shared social purposes and an underlying congruence of interests that limit the rise of conflicts worthy of war.¹⁹

American officials at various junctures have acted on this basic liberal view. Wilson, of course, placed the role of democracy at the centre of his optimism about the durability of a post-war peace. It was also his conception of the sources of war that led to his distinction between the German people and the German government: the former the legitimate source of authority and interest and the latter a dangerous militarist autocracy. The United States did not have a quarrel with the German people, but with their military dictators who had brought war to Europe. ‘A steadfast concert of peace can

never be maintained except by a partnership of democratic nations. No autocratic government could be trusted to keep faith within it or observe its covenants.' ²⁰

Wilson's claim was just the most emphatic version of a long tradition in American diplomacy arguing that the United States would be able to trust and get along better with democracies than non-democracies. The American decision to use its post-war occupation of Japan and Germany to attempt ambitious and unprecedented reforms of their states and societies was driven in large part by this belief in the security implications that would flow if Germany and Japan developed more democratic polities. ²¹ This impulse, of course, was not absolute, and cold war imperatives moderated the extent of actual democratic reform, particularly in Japan. But the argument that the world wars were caused fundamentally by the rise of illiberal, autocratic states and that American post-war security was dependent on the successful transition of these states to democracy was widespread and at the heart of American foreign policy. It was echoed recently by an American official who summarized the view:

Our answer to the sceptics, the critics, and the self-styled realists is straightforward: look at history, and look at the world around us. Democracy contributes to safety and prosperity, both in national life and in international life—it's that simple. The ability of a people to hold their leaders accountable at the ballot box is good not just for a citizenry so enfranchised—it is also good for that country's neighbours, and therefore for the community of states. ²²

Beyond the democratic peace thesis, other arguments abound that link democracy and the rule of law to international agreement and the stable functioning of international institutions. One argument is that democracies are able to develop relations based on the rule of law rather than political expediency, **(p.113)** and this facilitates stable and mutually beneficial dealings. ²³ Another argument is that democracies are better able to cooperate in alliance organizations and establish binding institutional relations. The open and permeable character of democracies allows potential institutional partners to overcome uncertainties about domination or abandonment. This is true for three reasons. Democracies are more transparent than non-democracies, and this allows states to observe the domestic system of the other states, and therefore to have more confidence in promises and commitments. Democracies are also more open and accessible to the direct representations of other states, allowing potential

partners to not just make agreements, but also to create a political process that allows them to actually influence policy in the other democracies. Finally, the multiple power centres of democracies make abrupt and untoward state actions more difficult—sharp change in policy requires more actors and institutions to sign up to it than in non-democracies.²⁴

Overall, the liberal claim is that democracies are more capable of developing peaceful, continuous, rule-based, institutionalized, and legitimate relations among each other than is possible with or between non-democracies. This thesis was put forward by former National Security Council Director Anthony Lake in 1995 in explaining American foreign policy after World War II:

We led the struggle for democracy because the larger the pool of democracies, the greater our own security and prosperity. Democracies, we know, are less likely to make war on us or on other nations. They tend not to abuse the rights of their people. They make for more reliable trading partners. And each new democracy is a potential ally in the struggle against the challenges of our time—containing ethnic and religious conflict; reducing the nuclear threat; combating terrorism and organized crime; overcoming environmental degradation.²⁵

Free Trade, Economic Openness, and Democracy

Another liberal argument that found its way into American post-war policy stresses the importance of trade and economic openness in creating and reinforcing democracy. The claim is that open markets have a salutary impact on the political character of the regimes of other countries, dissolving autocratic and authoritarian structures and encouraging more pluralistic and accountable regimes. Because trade and economic openness have liberalizing political impacts, international order that is organized around free markets promotes **(p.114)** and reinforces the types of states that are most inclined to pursue free markets. It is a self-reinforcing order.

Several different lines of argument are advanced. The most general argument is that trade has a positive impact on economic growth and this in turn encourages democratic institutions, and this in turn creates more stable and peaceful international relations. The logic is straightforward: FREE TRADE ⇒ PROSPERITY ⇒ DEMOCRACY ⇒ PEACE. The two claims that are introduced in this area are that trade promotes economic growth and that economic growth encourages democracy. The first of these arguments is an almost undisputed truth, at least among economists and theorists

of economic growth. Economists understand why trade stimulates growth faster than within closed economies—factors of production are employed more efficiently, allowing the development and spread of technology and stimulating productivity gains. Opponents of free trade rarely dispute the growth effects of trade, but rather focus on its potentially adverse distributive, social, or national security implications. ²⁶

The argument that economic growth encourages democracies is more complicated and debated. But as two scholars recently summarize one version of the argument, ‘it is only under conditions of prosperity and capitalism that elites can accept defeat peacefully at the polls, secure in the knowledge that they will have fair opportunities to regain political power, and opportunities for economic benefit when they are out of power’. ²⁷ Moreover, there is strong empirical evidence to support the claim. Not all democracies are high-income and prosperous, but there is a strong correlation. ²⁸

The classic statement of the theory was advanced by Lipset in the 1950s, who attempted to explain why economic development had a positive effect on the likelihood of a country establishing and maintaining democracy. Two intervening factors were most important. First, economic development tends to produce increases in education, which in turn promotes a political culture and political attitudes that are conducive to democracy; and second, economic development tends to produce a social structure dominated by a rising middle class, which moderates class struggle and the appeal of anti-democratic parties and ideologies and increases the size of the population that supports democratic parties. ²⁹ In this view, a rising middle class is the key to the rise and maintenance of democratic institutions, and this class increases in size and importance with economic growth and capitalist development. ³⁰

(p.115) Subsequent debate on this argument has stressed complicating factors, particularly the role of income inequality, which some argue tends to counteract the positive influence of economic development on democracy. There also seem to be non-linear and threshold effects on the relationship: economic growth is most important at the lower and medium levels of development, and after some threshold the level of democracy tends to hold regardless of further economic development. ³¹

This claim about the positive impact of trade on economic development and economic development on politics has had a long and well-established hold on official American foreign policy thinking. The American embrace of free trade and open markets gained its most secure foothold at the turn of the

twentieth century with the articulation of the Open Door policy, driven most forcefully by American efforts to gain market access in Asia. Later, during the progressive era, arguments in favour of free trade moved beyond the simple struggle for markets or the restatement of Ricardo's classic claims. It was Wilson who claimed that free trade would have the added benefit of checking or undercutting domestic monopoly. Protectionism encouraged collusion and reinforced the dominance of big business, and this in turn distorted democratic politics.³² This progressive era view was seen to hold outside the United States as well—free trade was a necessary condition for the spread of democracy abroad.

This liberal view makes an intensely materialist assumption: that economics shapes politics. Free trade and open markets strengthen society and create zones of autonomy that limit the reach of the state, empowering individuals and altering what they want and expect out of politics. This view lies at the core of American foreign policy efforts at 'engagement'—whether it is directed at South Africa, the Soviet Union, or China. Often unappreciated by the anti-democratic elites whose countries are engaged, trade and market openings are the sharp end of a liberalizing wedge that ultimately promotes economic development and democracy.

Free Trade, Economic Interdependence, and Peace

A related argument is that free trade and open markets promote not just economic advancement and democracy, but also encourage more intense and interdependent relations between states, which in turn foster mutual dependence and new vested interests that favour greater restraint and stability in international relations. This claim takes several forms. Some argue that trade makes states more prosperous, and therefore they are less likely to have grievances that lead to war. 'Prosperous neighbours are the best neighbours', **(p.116)** remarked Roosevelt era Treasury official Harry Dexter White.³³ Others argue that trade creates more mutual dependencies, societies expand their mutual interests, and more stable relations result. Still others stress the transnational linkages that are fostered which help reshape political processes and identities. But the basic argument is clear: free and open trade breaks down the sources of antagonism and war.

These claims were advanced by American officials involved in the creation of an open trading system after World War II. The most forceful advocates of this position came from the Department of State and its Secretary, Cordell Hull. Throughout the Roosevelt presidency, Hull and other State Department

officials consistently held the conviction that an open international trading system was central to American economic and security interests and was also fundamental to the maintenance of peace. Hull believed that bilateralism and the economic blocs of the 1930s, practised by Germany and Japan but also Britain, were the root cause of the instability of the period and the onset of war. ³⁴ Charged with responsibility for commercial policy, the State Department championed tariff reduction agreements, most prominently in the 1934 Reciprocal Trade Agreement Act and the 1938 US-British trade agreement. Trade officials at the State Department saw liberal trade as a core American interest that reached back to the Open Door policy of the 1890s. ³⁵ In the early years of World War II, this liberal economic vision dominated initial American thinking about the future world order and became the initial opening position as the United States engaged Britain over the post-war settlement. Emerging from the war with the largest and most competitive economy, an open economic order would serve American interests. An open system was also seen as an essential element of a stable world political order; it would discourage ruinous economic competition and protectionism that was a source of depression and war. But just as importantly, this vision of openness—a sort of ‘economic one worldism’—would lead to an international order in which American ‘hands on’ management would be modest. The system would, in effect, govern itself. ³⁶

The connection between trade and the sources of order is made at several levels. There is an expectation that trade will create new forms of mutual **(p.117)** dependence through the progressive evolution of specialization and functional differentiation of national economies. This process in turn creates a blurring of national economic borders and interests, which in turn debilitates the capacity of the state to determine and act upon narrow nationalist economic interests. The state's interests are broadened to include a stake in the stability and functioning of the larger international order. At the level of the state, the expansion of trade and investment creates new vested interests in economic openness and the political organization of international politics that is congenial with openness. For example, there is evidence that when firms invest overseas they not only develop an interest in international conditions that foster and protect those operations, but they also become a new voice back home in advocating the opening of the domestic market. ³⁷

More generally, when American foreign policy has sought to bring countries into the open trade order, they have had expectations that these involvements would have ‘socializing’ effects on these countries

that would be conducive to the maintenance of order. Nowhere was this more explicit than in the Clinton administration's approach toward China. The administration argued that a 'China as a power that is stable, open, and non-aggressive, that embraces free markets, political pluralism, and the rule of law, that works with us to build a secure international order—that kind of China, rather than a China turned inward and confrontational, is deeply in the interests of the American people'. To move China in this direction, the administration embraced the dynamic vision of liberalism: that integration into the international economic order would promote reform at home, encourage the development of the rule of law, and socialize China into the prevailing order. This liberal vision was put directly by Clinton:

China's economic growth has made it more and more dependent on the outside world for investment, markets, and energy. Last year it was the second recipient of foreign direct investment in the world. These linkages bring with them powerful forces for change. Computers and the Internet, fax machines and photo-copiers, modems and satellites all increase the exposure to people, ideas, and the world beyond China's borders. The effect is only just beginning to be felt. ³⁸

This is essentially the same argument made by Wilson, Roosevelt, Truman, and other American presidents. It now takes a more sweeping and vivid form because of recent developments: the dramatic collapse of the Soviet Union, the rapid rise of new technologies, and the continuing work of the relentless integrating forces of trade and investment. Free markets tend to force open societies, liberalize politics, and integrate and socialize countries.

(p.118) Institutions and the Containment of Conflict

Another enduring and strongly held liberal view that is deeply entrenched in American foreign policy thinking is that institutions matter. The claim is that when states create and operate within international institutions, the scope and severity of their conflicts are reduced. The reasons involve a series of arguments about the relationship between states, interests, and the logic of dispute resolution. But fundamentally, when states agree to operate within international institutions (within a particular realm), they are in effect creating a political process that shapes, constrains, and channels state actions in desirable ways. Interstate institutions establish a political process that helps to contain conflict by creating mechanisms that can move the dispute toward some sort of mutually acceptable resolution.

At the heart of the American political tradition is the view that institutions can serve to overcome and integrate diverse and competing interests—state, section, ethnicity, class, and religion. American constitutionalism is infused with the belief that state power can be restrained and rights and protections of individuals insured through the many institutional devices and procedures that they specify. Separation of power, checks and balances, and other devices of the balanced constitution were advanced as ways to ensure limits on power. Theories of institutional balance, separation, oversight, and judicial review have an intellectual lineage that traces from Aristotle to Locke and Montesquieu. By specializing functional roles and dispersing political authority, the concentration of power and the possibility of tyranny is prevented.³⁹ In this way, institutional design can help define and ensure the durability of desirable political order.

It is this deeply held view that has made American officials so inclined to build and operate international institutions. Indeed, the historical record is striking. When the United States has had an opportunity to organize international relations—such as after the two world wars—it has been unusually eager to establish regimes and multilateral institutions.⁴⁰ After 1919 it was the League of Nations, and after 1945 it was a flood of institutions with different purposes, functions and scope. The American architects of post-war order are justly famous for their efforts to institutionalize just about everything: security, monetary relations, trade, development assistance, peacekeeping and dispute resolution.⁴¹ When one compares and contrasts *Pax Britannica* and *Pax Americana*, one of the first things to note is that the American era was much more institutionalized.⁴²

(p.119) Of course, American interest in institutionalizing international relations is driven by a variety of factors. It mattered that the United States was in an unprecedented power position after the war. The sheer asymmetry of power relations between the United States and its potential post-war partners made institutions an attractive way to reassure Europe and Japan that it would neither dominate nor abandon them, and a functioning political process made possible by the wide array of institutions was useful in legitimizing America's post-war hegemony.⁴³ Likewise, the industrial great powers at mid-twentieth century passage were much more complex and interdependent than in the early nineteenth century—so there was just a lot more stuff to organize than before. The political calculus and social purpose of states had evolved, and this was reflected in the functional imperatives of the 1940s.⁴⁴

But there are specific expectations that Americans had about how states operating within international institutions would dampen conflict and mitigate anarchy. Two types of general institutional ‘effects’ are most important: institutions constrain and socialize. Institutions constrain in that the rules and roles that institutions set out for states serve to create incentives and costs that channel states in particular directions. Violating the rules may create costs by provoking responses by others—such as sanctions and retaliation—or constraints may be manifest by creating ‘sunk costs’ that make it relatively more expensive to start from scratch and create a new institution. International institutions are not unlike domestic institutions; they create a ‘political landscape’ that provides advantages, constraints, obstacles, and opportunities for actors who inhabit them.⁴⁵ Properly engineered, they can bias state actions toward the desired rules and roles.

International institutions can also socialize states, which happens when they influence the way in which states think about their interests. In becoming socialized to accept certain ways of thinking, as Martha Finnemore argues, states ‘internalize the roles and rules as scripts to which they conform, not out of conscious choice, but because they understand these behaviours to be appropriate’.⁴⁶ The underlying view is that the interests and preferences of states are not completely fixed, and that institutions could play a role on cultivating certain types of foreign and domestic policy orientations. States might initially agree to operate in an international institution because of the manipulation of incentives by the hegemon, but after a while through a complex **(p.120)** process of socialization the rules and values of the institution would be embraced by the state as right and proper.⁴⁷

American officials hoped that the post-war institutions would ‘rub off’ on the other states that agreed to join. In creating the United Nations, officials worked under the assumption that the establishment of mechanisms for dispute resolution would channel conflicts in non-violent directions.⁴⁸ In creating the GATT, officials also anticipated the economic conflicts could be trapped and diffused in framework of rules, standards, and dispute resolution procedures. In establishing the Marshall Plan for aiding post-war Europe, American officials insisted that the Europeans create an joint institution that would force them to work together in allocating funds, and the hope was that a habit of cooperation would emerge.⁴⁹

Both these ways in which institutions matter echo the American political tradition. The notion of institutional constraints is implicit in republican

political theory, where the constitution, separation of powers, and the institutional layers and limits on authority create power distribution and checking mechanisms that inhibit the aggrandizement of power. The view that institutions can socialize is also an extension of the classical liberal view that the political system is not simply a mechanical process where preferences are aggregated, but it is a system where persuasion and justification matter as well.

Community and Identity

A final liberal claim is that a common identity among states facilitates the establishment of a peaceful and durable order. Values and a sense of community matter as sources of order—not just power and interests. Again, there are several layers of argument. One is that states with similar political values and social purposes will be more likely to understand each other, which facilitates cooperation. Another is that if the common values are liberal and democratic, substantive norms exist that specify expectations about how conflicts are to be resolved.

American foreign policy thinkers have been attracted to this liberal view, but the specific way they have sought to identify and develop common identity and community has varied. Wilson talked about a ‘community of power’ and associated common identity with democracy. This followed directly from his view that the world stood on the brink of a great democratic revolution, and so to build order around a universal democratic community was obvious. The problem was that the world did not culminate in democratic revolution after 1919; Russia, of course, moved in a different direction, but continental Europe also failed to develop democratic societies in the way Wilson expected. **(p.121)** As a result, the universalism of the League of Nations was built on unfulfilled expectations.

This failure was a central lesson of the generation of American leaders who followed Wilson. The lesson was not that democracy was unrelated to American security and a durable post-war order, but that universalism was a bridge too far. Democracy was not as easily spread or deeply rooted as Wilson had assumed. Building order around like-mind democracies was still a desired goal of Roosevelt and Truman, but the realm of world politics that would fit within this order and the way the order would be institutionalized differed after World War II.⁵⁰ The democratic community would exist primarily within the Atlantic world, and its institutional foundations would be more complex and layered.

This view was articulated by a variety of officials and activists in the 1940s who were primarily concerned with creating political order among the democracies of the North Atlantic region. The vision was of a community or union between the United States, Britain, and the wider Atlantic world. Ideas of an Atlantic union can be traced to the turn of the twentieth century and a few British and American statesmen and thinkers, such as John Hay, British Ambassador to Washington Lord Bryce, American Ambassador to London Walter Hines Page, Admiral Alfred T. Mahan, and Henry Adams. These writers and political figures all grasped the unusual character and significance of Anglo-American comity, and they embraced a vision of closer transatlantic ties.⁵¹ These ideas were articulated and rearticulated over the following decades. During World War II, Walter Lippmann gave voice to this view, that the 'Atlantic Ocean is not the frontier between Europe and the Americas. It is the inland sea of a community of nations allied with one another by geography, history, and vital necessity'.⁵²

Various experiences and interests fed into the Atlantic idea. One was strategic and articulated during and after the two world wars. Suspicious of Woodrow Wilson's League of Nations proposal, French Premier Georges Clemenceau proposed in 1919 an alliance between France, Britain, and the United States—an alliance only among what he called 'constitutional' countries.⁵³ The failure of the League of Nations reaffirmed in the minds of many Americans and Europeans the virtues of a less universal security community that encompassed the North Atlantic area.

Others focused on the protection of the shared democratic values that united the Atlantic world. These ideas were most famously expressed in (p.122) Clarence Streit's 1939 book, *Union Now: The Proposal for Inter-democracy Federal Union*.⁵⁴ Concerned with the rise of fascism and militarism and the fragility of the Western democracies in the wake of a failed League of Nations, Streit proposed a federal union of the North Atlantic democracies.⁵⁵ In the years that followed, a fledgling Atlantic Union movement came to life. An Atlantic Union Committee was organized after the war and prominent Americans called for the creation of various sorts of Atlantic organizations and structures. American and European officials were willing to endorse principles of Atlantic community and unity—most explicitly in the 1941 Atlantic Charter—but they were less interested in supranational organization.

In more recent years, American officials have returned to this theme. In the aftermath of the cold war, the Bush administration was quick to remind its allies that they were more than a defensive alliance against communism

—that the alliance was equally a positive embodiment of the values and community that they shared. In major speeches both President Bush and Secretary of State Baker talked about Euro-Atlantic Community and the ‘zone of democratic peace’. It had been relatively easy during the cold war to talk about the unity of the ‘free world’. After 1991, this became more difficult and the older notions of democratic community were rediscovered. The Clinton administration also came to evoke similar sentiments about democratic community in making the case for NATO expansion.

There is an inherent ambiguity in specifying the precise character of democratic community, and this is reflected in foreign policy thinking. Some draw the borders of shared community rather narrowly. Samuel Huntington's famous argument about civilization, for example, has a rather limited notion of the West and shared community. It exists primarily in the Atlantic world. Others have more expansive notions. James Huntley has developed an elaborate set of criteria for determining the ‘like-mindedness’ of states, which in turn explains why ‘some countries and their governments are more ready than others to engage in sophisticated forms of international cooperation’. These include a stable, experienced, and advanced democratic regime, advanced and knowledge-based modern economies and societies, and a substantial body of diplomats, civil servants, political leaders, and other elites who are oriented toward international cooperation.⁵⁶ In this view, democratic community is not absolute, but runs along a gradient, concentrated in a core of states and moving outward to less similar states.

(p.123) The Coalitional Basis of Liberal Grand Strategy

These liberal claims and strategies are compatible, even synchronous, in some deep sense, and they have come together at various historical junctures, most fully after World War II. They have rarely been thought of or championed as a single package. But in the 1940s they came together. Today, with the end of the cold war, they are ideas and strategies that can be seen more clearly as a distinctive American grand strategy.

In the 1940s the various pieces came together. The free traders at the State Department had a clear line on the post-war order: it would be a free trade system. Others at the Treasury and New Dealers were eager to see international institutions established that would provide fixed mechanisms for the governance of the post-war economy. Other activists were focused on the United Nations and the creation of political governance institutions. Still

others, such as George Kennan, were interested in rebuilding Europe, as a stable counterweight to the Soviet Union.

In the background, other officials were focused on American geopolitical interests and the Eurasian rimlands. This is where American strategic thinkers began their debates in the 1930s, as they witnessed the collapse of the world economy and the emergence of German and Japanese regional blocs. The question these thinkers pondered was whether the United States could remain as a great industrial power within the confines of the western hemisphere. What were the minimum geographical requirements for the country's economic and military viability? For all practical purposes this question was answered by the time the United States entered the war. An American hemispheric bloc would not be sufficient; the United States must have security of markets and raw materials in Asia and Europe.⁵⁷ It must seek openness, access, and balance in Europe and Asia.

This view that America must have access to Asian and European markets and resources, and must therefore not let a prospective adversary control the Eurasian land mass, was also embraced by post-war defence planners. Defence officials also saw access to Asian and European raw materials, and the prevention of their control by a prospective enemy, as an American security interest. Leffler notes that 'Stimson, Patterson, McCloy, and Assistant Secretary Howard C. Peterson agreed with Forrestal that long-term American prosperity required open markets, unhindered access to raw materials, and the rehabilitation of much—if not all—of Eurasia along liberal capitalist lines'.⁵⁸ Some defence studies went further, and argued that post-war threats to Eurasian access and openness were more social and economic than military. It was economic (p.124) turmoil and political upheaval that were the real threats to American security, as they invited the subversion of liberal democratic societies and Western-oriented governments. Access to resources and markets, socioeconomic stability, political pluralism, and American security interests were all tied together.

The desirability of open markets, democratic states, and international institutions was something that liberal visionaries and hard-nosed geopolitical strategists could agree upon. Indeed, the durability of America's liberal grand strategy is partly due to the multiple agendas that are served in the process. This was true in 1945 as well as today. State Department officials advancing notions of an open world economy were reinforced by defence planners who linked American security interests to market and resource access to Asian and European regions. State Department planners,

such as George Kennan, who were primarily concerned with rebuilding the economic and political infrastructure and wherewithal of western Europe made common cause with other officials who were concerned with encouraging the emergence of continental European governments committed to an open and integrated Western order. This convergence on liberal democratic order was facilitated by the reluctance of the Truman administration to pursue more far-reaching options, such as simple free trade or world government. An institutionalized and managed Western order that centred on openness and democracy was an appealing objective to some and an indispensable means to an end to others.

Conclusion

For those who thought cooperation among the advanced industrial democracies was primarily driven by cold war threats, the last few years must appear puzzling. Relations among the major Western countries have not deteriorated or broken down. What the cold war focus misses is an appreciation of the other and less heralded post-war American project: building a liberal democratic order within the West. The ideas, practices, lessons, and designs that American officials brought to bear on the problem of rebuilding order among the Western states was, taken together, a distinctively American grand strategy.

The robustness of the ideas behind Western liberal democratic order was partly a result of the manifold lessons and experiences that stimulated these ideas. It is sometimes argued that what differentiated the 'successful' settlement after 1945 from the 'unsuccessful' settlement after 1919 is that it was based on more 'realist' understandings of power and order. Roosevelt, for example, was sensitive to considerations of power, and his notion of the 'Four Policemen' was a self-conscious effort to build a post-war settlement around a great-power collective security organization. But the actual post-war settlement reflected a more mixed set of lessons and calculations. 'Realist' lessons from the League of Nations debacle of the 1920s were combined with 'liberal' lessons from the regional imperialism and mercantilist conflict of the 1930s. **(p.125)** The United States did show more willingness to use its military victory and occupation policy after 1945 to implement its post-war aims in Germany and Japan, but those aims were manifestly liberal in character.

It is commonly argued today that post-cold war American foreign policy has lost its way. The loss of containment as an organizing concept and

grand strategy has left some bewildered. But if the other elements of American post-war grand strategy sketched in this paper are recognized, this perspective is less compelling. The United States has a deeper and more sophisticated set of policies and practices than a narrow focus on American cold war diplomacy would reveal. So to analysts who equate grand strategy with 'containment' and 'managing the balance of power', the liberal strategies of the United States will not be recognized, and these analysts will acknowledge the arrival of a new American grand strategy only when a new threat emerges that helps stimulate and organize balancing policies. But this is an intellectually and historically impoverished view, and it misses huge foreign policy opportunities in the meanwhile.

What is striking, in fact, and perhaps ironic, about American foreign policy after the cold war is how deeply bipartisan liberal internationalism is in foreign policy circles. Reagan and Bush pursued policies that reflected a strong commitment to the expansion of democracy, markets, and the rule of law. The Reagan administration's involvements in El Salvador, the Philippines, Chile, and elsewhere all reflected this orientation. Its shift from the Nixon-Kissinger 'permanent coexistence' approach to the Soviet Union toward a more active pursuit of a human rights and democracy promotion agenda also revealed this orientation. Following in line with a view articulated by Wilson, Roosevelt, Truman and others, the Reagan administration articulated the democratic peace argument—that the regime type of other states matters, and if they are democracies they will be less threatening to the United States. Jeane Kirkpatrick and other Kissinger-type realists were brought into the administration, but their view that democracy promotion was a counterproductive luxury did not dominate.

Today, a foreign policy agenda organized around business internationalism, multilateral economic and security organizations, and democratic community building is embraced by elites in both parties. It is a coalition not unlike the one that formed in the 1940s. Some elites embrace democracy, the rule of law, and human rights as an end in itself; others see its promotion as a way to expand and safeguard business and markets; and others see indirect payoffs for national security and alliance management. The Clinton administration's doctrine of 'enlargement' and its policy of engagement toward China were mere reflections of this long-standing liberal American orientation.⁵⁹ Many of the speeches that Clinton administration officials made on enlargement and engagement could just as easily have been generated by Reagan and Bush **(p.126)** speech writers. There were

differences of details, but the two major parties did not articulate two radically—or even moderately—different world-views.

Part of the reason for the stability of this general liberal strategic orientation is that the overall organizational character of the American system encourages it. International business is a coalition partner. Engagement of China, for example, was really the only option, given the huge stakes that American multinationals have in the Chinese and Asian markets. The United States also has a huge domestic constituency for democracy promotion and numerous non-government organizations keep the issue on the agenda. The groups and associations that have sought to build a more formal Atlantic community are also at work articulating notions of wider democratic community. Transnational groups that support the United Nations, the IMF and World Bank, and other major multilateral organizations also feed into the American foreign policy process. In other words, American foreign policy is only part of what generates and sustains the American liberal orientation. Democracies—particularly big and rich ones like the United States—seem to have an inherent sociability. Democracies are biased, structurally speaking, in favour of engagement, enlargement, interdependence, and institutionalization, and they are biased against containment, separation, balance, and exclusion. The United States is doomed to pursue a liberal grand strategy.

Notes:

(1) The most sophisticated and systematic survey of American democracy promotion in this century is Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton: Princeton University Press, 1994).

(2) Arthur S. Link, *Wilson the Diplomatist* (New York: New Viewpoints, 1974), p. 13.

(3) Link, *Wilson the Diplomatist*, p. 14.

(4) See Thomas J. Knock, *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (New York: Oxford University Press, 1992).

(5) Stanley Hoffmann, 'An American Social Science: International Relations', *Daedalus*, 106/3 (1977), p. 43.

(6) E. H. Carr, *The Twenty Years' Crisis, 1919–1939*, 2nd edn (New York: Harper & Row, 1946), p. 27.

(7) Norman Angell, *The Great Illusion: A Study of the Relation of Military Power to National Advantage* (New York and London: G. Putnam and Sons, 1910).

(8) Angell, *The Great Illusion*, p. x.

(9) Angell, *The Great Illusion*, pp. 386–7.

(10) Miles Kahler, 'Inventing International Relations: International Relations Theory After 1945', in Michael Doyle and G. John Ikenberry (eds), *New Thinking in International Relations Theory* (Boulder, CO: Westview Press, 1997), p. 23.

(11) This section draws on G. John Ikenberry, 'The Myth of Post-Cold War Chaos', *Foreign Affairs*, 75/3 (1996), pp. 7991.

(12) H. Truman, 'Address to Joint Session of Congress on Aid to Greece and Turkey', 12 March 1947. For historical accounts of this foreign policy turning point, see Dean G. Acheson, *Present at the Creation: My Years at the State Department* (New York: Norton, 1969); Howard Jones, 'A New Kind of War': *America's Global Strategy and the Truman Doctrine in Greece* (New York: Oxford University Press, 1989). On whether the Truman Doctrine was a cold war watershed, see John Lewis Gaddis, 'Was the Truman Doctrine a Real Turning Point?', *Foreign Affairs*, 52 (1974), pp. 386–92.

(13) H. Truman, 'Address on Foreign Economic Policy' (Baylor University: 6 March 1947).

(14) For a popular account of the 'founding fathers' of the containment order, see Walter Isaacson and Evan Thomas, *The Wise Men: Six Friends and the World They Made* (New York: Simon and Schuster, 1986).

(15) The seminal role of George Kennan as architect of containment policy is stressed in John Lewis Gaddis, *Strategies of Containment* (New York: Oxford University Press, 1984). More recently, Melvyn Leffler has argued that many American officials and experts from across the foreign and defence establishment independently began to embrace containment thinking. See *A Preponderance of Power* (Stanford: Stanford University Press, 1992). On Kennan's changing views of containment, see Kennan, *American Diplomacy, 1925–50* (Chicago: University of Chicago Press, 1951); *Memoirs, 1925–50*

(Boston: Little, Brown and Co, 1967); and the interview with Kennan in 'X-Plus 25', *Foreign Policy*, 7 (1972), pp. 353.

(16) For arguments that the great mid-century struggle was between a open capitalist order and various regional autarkic challengers, see Bruce Cumings, 'Trilateralism and the New World Order', *World Policy Journal*, 8/2 (1991), pp. 195–226; and Charles Maier, 'The Two Postwar Eras and the Conditions for Stability in Twentieth-Century Western Europe', in Charles Maier, *In Search of Stability: Explorations in Historical Political Economy*, part 1 (New York: Cambridge University Press, 1987), pp. 153–84. A similar sweeping historical argument, described as a struggle between 'liberal' and 'collectivist' alternatives, is made in Robert Skidelsky, *The World After Communism* (London: Macmillan, 1995).

(17) Churchill insisted that the charter did not mandate the dismantlement of the British empire and its system of trade preferences, and only the last-minute sidestepping of this controversial issue ensured agreement. See Lloyd C. Gardner, 'The Atlantic Charter: Idea and Reality, 1942–1945', in Douglas Brinkley and David R. Facey-Crowther (eds), *The Atlantic Charter* (London: Macmillan, 1994), pp. 45–81.

(18) See Michael Doyle, 'Kant, Liberal Legacies, and Foreign Affairs', *Philosophy and Public Affairs*, 12 (1983), pp. 205–35, 323–53; Michael Doyle, 'Liberalism and World Politics', *American Political Science Review*, 80/4 (1986), pp. 1151–69; Bruce Russett, *Grasping the Democratic Peace: Principles for a Post-Cold War World* (Princeton: Princeton University Press, 1993); James Lee Ray, *Democracy and International Conflict: An Evaluation of the Democratic Peace Proposition* (Columbia: University of South Carolina Press, 1995); William J. Dixon, 'Democracy and the Peaceful Settlement of International Conflict', *American Political Science Review*, 88/1 (1994), pp. 14–32.

(19) Many of these arguments are brought together in Michael E. Brown, Sean Lynn-Jones, and Steven Miller (eds), *Debating the Democratic Peace* (Cambridge, MA: MIT Press, 1996).

(20) Address to a Joint Session of Congress, 2 April 1917; in Arthur S. Link (ed.), *The Public Papers of Woodrow Wilson*, 41 (Princeton: Princeton University Press, 1983), pp. 519–27.

(21) See Smith, *America's Mission*, Ch. 6.

(22) 'Democracy and the International Interest', remarks by Deputy Secretary of State Strobe Talbott to the Denver Summit of the Eight Initiative on Democracy and Human Rights, 11 October 1997, p. 2. See also Strobe Talbott, 'Democracy and the National Interest', *Foreign Affairs*, 75/6 (1996), pp. 47–63.

(23) See Anne-Marie Burley, 'Toward the Age of Liberal Nations', *Harvard International Law Journal*, 33/2 (1992), pp. 393–405; and 'Law Among Liberal States: Liberal Internationalism and the Act of State Doctrine', *Columbia Law Review*, 92/8 (1992), pp. 1907–96.

(24) These arguments are developed in G. John Ikenberry, 'Liberal Hegemony: The Logic and Future of America's Postwar Order' (unpublished paper, 1997). See also Daniel Deudney and G. John Ikenberry, 'Liberal Competence: The Performance of Democracies in Great Power Balancing' (unpublished paper, 1994). For a good summary of this literature, see Kurt Taylor Gaubatz, 'Democratic States and Commitment in International Relations', *International Organization*, 50/1 (1997), pp. 109–39.

(25) Anthony Lake, 'Remarks on the Occasion of the 10th Anniversary of the Center for Democracy' (Washington, DC: 26 September 1995).

(26) See Douglas A. Irwin, *Against the Tide: An Intellectual History of Free Trade* (Princeton: Princeton University Press, 1996).

(27) Thomas J. Volgy and John E. Schwarz, 'Free Trade, Economic Inequality and the Stability of Democracies in the Democratic Core of Peace', *European Journal of International Relations*, 3/2 (1997), p. 240.

(28) See John B. Longregan and Keith Poole, 'Does High Income Promote Democracy?', *World Politics*, 49 (1996), pp. 1–30.

(29) Seymour Martin Lipset, 'Some Social Requisites of Democracy: Economic Development and Political Legitimacy', *American Political Science Review*, 53 (1959), pp. 69–105.

(30) The literature is summarized in Dietrich Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens, *Capitalist Development and Democracy* (Chicago: University of Chicago Press, 1992). These authors modify the Lipset model, stressing the specific role of the urban working class.

(31) See Edward N. Muller, 'Economic Determinants of Democracy', *American Sociological Review*, 60 (1995), pp. 966–82.

(32) See Arthur S. Link, *Woodrow Wilson and the Progressive Era, 1910–1917* (New York: Harper and Row, 1954).

(33) Alfred E. Eckes, Jr., *A Search for Solvency: Bretton Woods and the International Monetary System, 1944–71* (Austin: University of Texas Press, 1971), p. 52. This was a reflection of the Cobdenite philosophy that trade protection and tariffs were linked to political conflict and, ultimately, war.

(34) As Secretary Hull argued, ‘unhampered trade dovetailed with peace; high tariffs, trade barriers, and unfair economic competition, with war’. Cordell Hull, *The Memoirs of Cordell Hull*, vol. 1 (New York: Macmillan, 1948), p. 81.

(35) Herbert Feis, the State Department's economic adviser, noted the continuity of the department's position when he argued during the war that ‘the extension of the Open Door remains a sound American aim’. See Herbert Feis, ‘Economics and Peace’, *Foreign Policy Reports*, 30 (April 1944), pp. 14–19. On the State Department's commitment to a post-war open trading system, see Lloyd Gardner, *Economic Aspects of New Deal Diplomacy* (Madison: University of Wisconsin Press, 1964); Richard Gardner, *Sterling-Dollar Diplomacy: The Origins and the Prospects of Our International Economic Order* (New York: McGraw Hill, 1969); and Alfred E. Eckes, Jr., *Opening America's Market: U.S. Foreign Policy Since 1776* (Chapel Hill: The University of North Carolina Press, 1995), Ch. 5.

(36) This argument is made in G. John Ikenberry, ‘Rethinking the Origins of American Hegemony’, *Political Science Quarterly*, 104 (1989), pp. 375–400.

(37) Helen Milner and David B. Yoffie, ‘Between Free Trade and Protectionism: Strategic Trade Policy and a Theory of Corporate Trade Demands’, *International Organization*, 42/2 (1989), pp. 239–72; Hidetaka Yoshimatsu, ‘Economic Interdependence and the Making of Trade Policy: Industrial Demand for an Open Market in Japan’, *The Pacific Review*, 11/1 (1998), pp. 28–50.

(38) White House Press Release, ‘Remarks by the President in Address on China and the National Interest’ (24 October 1997).

(39) See M. Richter, *The Political Theory of Montesquieu* (Cambridge: Cambridge University Press, 1977).

(40) Of course, the United States has also been assiduous in ensuring that there are limits and escape clauses in the binding effects of institutions.

(41) On the post-war surge in institution building, see Craig Murphy, *International Organization and Industrial Change* (New York: Oxford University Press, 1994).

(42) For comparisons of American and British hegemony, see Robert Gilpin, *U.S. Power and the Multinational Corporation: The Political Economy of Foreign Direct Investment* (New York: Basic Books, 1975); and David Lake, 'British and American Hegemony Compared: Lessons for the Current Era of Decline', in Michael Fry (ed.), *History, the White House, and the Kremlin: Statesmen as Historians* (New York: Columbia University Press, 1991), pp. 106-22.

(43) These arguments are made in G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars* (Princeton: Princeton University Press, 2000).

(44) See John G. Ruggie, *Winning the Peace: America and World Order in the New Era* (New York: Columbia University Press, 1996).

(45) For an overview of this perspective on institutions, see James G. March and Johan Olsen, 'The New Institutionalism: Organizational Factors in Political Life', *American Political Science Review*, 78 (1984), pp. 734-49.

(46) Martha Finnemore, *National Interests in International Society* (Ithaca: Cornell University Press, 1996), p. 29.

(47) See G. John Ikenberry and Charles Kupchan, 'Socialization and Hegemonic Power', *International Organization*, 43/3 (1990), pp. 283-315.

(48) See Ruth B. Russell, *A History of The United Nations Charter: The Role of the United States, 1940-1945* (Washington, DC: The Brookings Institution, 1958).

(49) See Ernst H. Van Der Beugel, *From Marshall Plan to Atlantic Partnership* (Amsterdam: Elsevier Publishing Co., 1966).

(50) On the lessons drawn by order builders in 1945 from the failures of 1919, see David Fromkin, *In the Time of the Americans: The Generation that Changed America's Role in the World* (New York: Alfred Knopf, 1995).

(51) See James Robert Huntley, *Uniting the Democracies: Institutions of the Emerging Atlantic-Pacific System* (New York: New York University Press, 1980), p. 4.

(52) Walter Lippmann, *U.S. Foreign Policy: Shield of the Republic* (Boston: Little, Brown, 1943), p. 83.

(53) The French proposal was to transform the League of Nations into a North Atlantic treaty organization—a union complete with an international army and a general staff. See Thomas J. Knock, *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (New York: Oxford University Press, 1992), pp. 221–2.

(54) Clarence Streit, *Union Now: The Proposal for Inter-democracy Federal Union* (New York: Harper and Brothers, 1939).

(55) It would be a ‘union of these few peoples in a great federal republic built on and for the thing they share most, their common democratic principle of government for the sake of individual freedom’. Streit, *Union Now*, p. 4.

(56) James Robert Huntley, *Pax Democratica: A Strategy for the Twenty-first Century* (London: Macmillan, 1998), Appendix A.

(57) The culmination of this debate and the most forceful statement of the new consensus was presented in Nicholas John Spykman's *America's Strategy in World Politics: The United States and the Balance of Power* (New York: Harcourt, Brace, 1942).

(58) Melvin Leffler, ‘The American Conception of National Security and the Beginnings of the Cold War, 1945–48’, *American Historical Review*, 89/2 (1984), p. 358.

(59) See Douglas Brinkley, ‘Democratic Enlargement: The Clinton Doctrine’, *Foreign Policy*, 106 (1997), pp. 111–27.