

SYSTEM LEVEL THEORY # 2

Liberalism



LIBERALISM

Liberalism

advances the idea that states cooperate as much as, if not more than, they compete.



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This cooperation, **liberals** assert, is more consistent than the realists' notion of national interest among limited numbers of states.



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States *cooperate* because it is in their interest to do so, and prosperity and stability in the international system are a direct result of that cooperation.



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Liberals also believe that states are not motivated solely by national interest defined in terms of power.

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While the “high politics” of national security and military power remain important, **liberals** maintain that economic, social, and environmental issues – or “low politics” – have become priorities on the international agenda.

Basic Concepts and Issues in Liberal Theory:

- Liberals focus on norms, regimes, economic interdependence, international organisations
- no distinction between
 - ‘high’ politics (high-level relations between states) and
 - ‘low’ politics (internal socio-economic issues)
- Issues of terrorism, drug trafficking, human rights, environment, technology and finance are as important as security issues

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For **liberals**, the establishment and success of the international order depends largely on four major factors:

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1) The role of international institutions.

INSTITUTIONAL LIBERALISM OR LIBERAL INSTITUTIONALISM

- States are not main actors of international relations
 - International institutions can increase and aid cooperation between states
 - European Union, economic agreements (ASEAN), NAFTA
 - Nevertheless bad states should be dealt with
 - Related to the Democratic peace theory
-

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2) International rules and norms for behavior of states

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3) The increasing economic interdependence between nations.

What is the Global Economy?



The economy of our planet. All the economies added up.



The world today consists of economies that are entwined and interdependent.

*The economy of the world seen as a whole.
A world comprising economically interdependent nations.*

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4) Technological advancement and the growth of global communication.



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Liberals believe that the transnational linkages that these four factors represent build incentives for *cooperation*, enhance trust between nations, and promote negotiation rather than military confrontation as a means to resolve disputes between state.

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The Components of Liberalism

Liberal themes



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Focus of Analysis

**Enhancing global
political and
economic
cooperation.**

In these extraordinary times, greater international cooperation is needed to reverse the global economic downturn, eradicate poverty, promote security and enhance cultural understanding..

Klaus Schwab

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Major Actors

States

International organizations

Multinational corporations (MNCs)

Nongovernmental organizations (NGOs)



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Behavior of States

**States not always rational actors;
Compromise between various interests
within the
state.**



If we were unitary, rational actors in an environment of anarchy, I'd still resist using hard-power against you, friend.



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Goals of States

Economic prosperity



International Stability



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View of Human Nature

Optimistic



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Condition of the International System

Anarchic; But! Possible to mitigate anarchy

**Capitalism is
the Way Out
of this Mess.**



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**Key
Concepts**



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Key Concepts

Interdependence

A concept that focuses on “mutual dependence” of nations in which two or more states are mutually sensitive and vulnerable to each other’s actions. Economic liberals argue that this is a defining characteristic of our contemporary world



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Key Concepts

International Law

The codification of rules that regulate behavior of states and set limits upon what is permissible and what is not permissible. In theory, these rules are binding on states, as well as other international actors.



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Key Concepts

Collective Security

A liberal institutionalist concept of a system of world order in which aggression against an individual state is considered aggression against all states and will be met with a collective response from all states within the system.

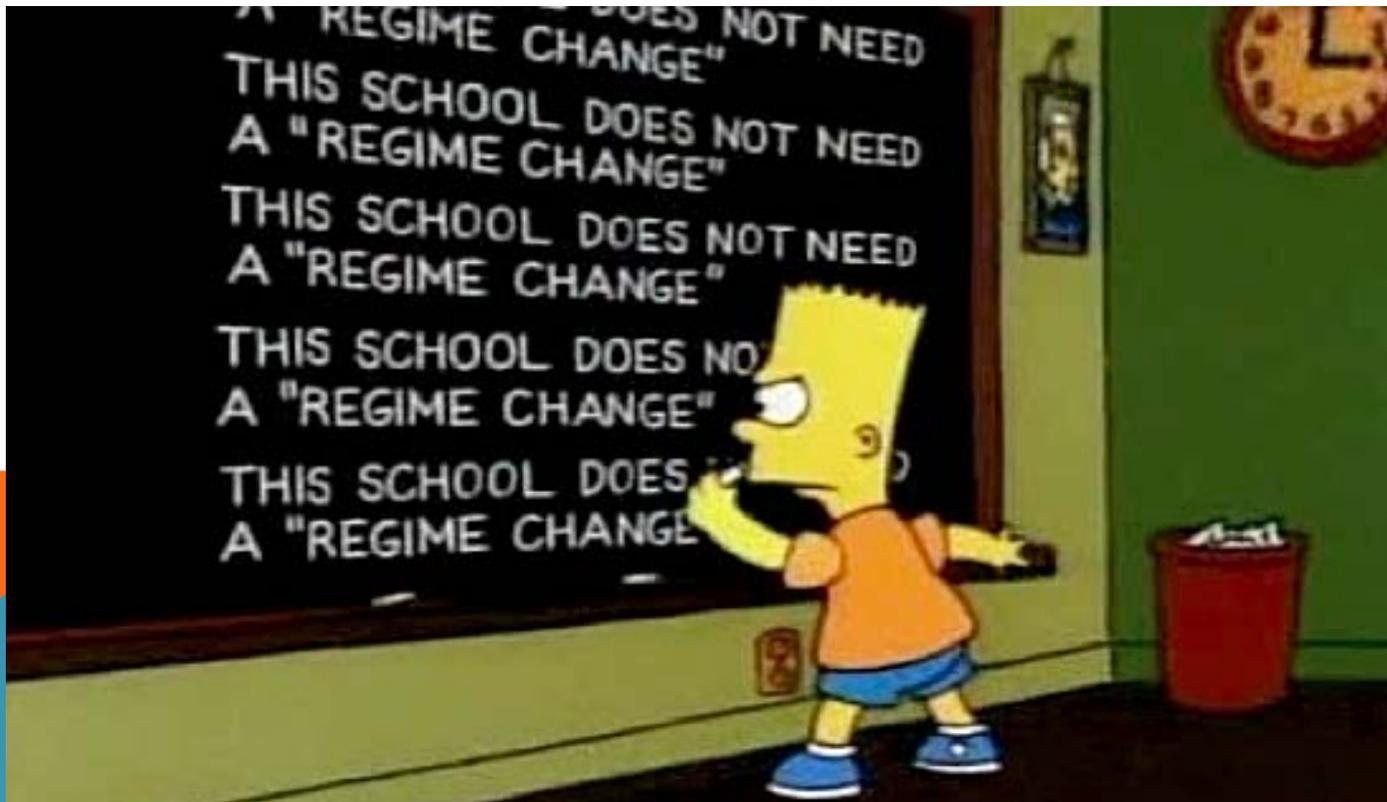


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Key Concepts

Regime

The set of accepted rules, norms, and procedures that regulate the behavior of states and other actors in given issue area.

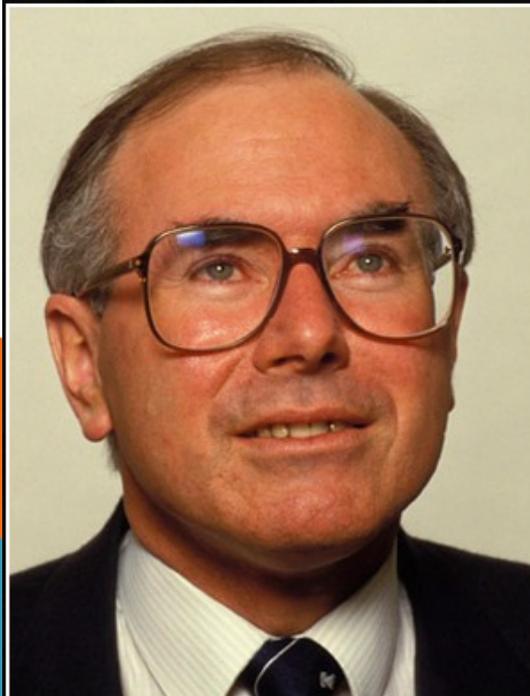


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Key Concepts

Economic Liberalism

A theory of I.R. that highlights the economic transnational ties or linkages between states. With the merging of international and domestic economic interests, states have become increasingly interconnected or interdependent, and less dependent on, or less willing to use force or the threat of force to further their national interests.



In my estimation, there should always be a mixture of economic liberalism - which means small government, a great emphasis on markets - but also a certain degree of social conservatism, not to favor change unless that change is beneficial. So I describe myself as an economic liberal and a social conservative.

— *John Howard* —

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Key Concepts

Harmony of Interests

A liberal concept stating that the interest of all states coincides with the interest of each state. It implies that the incentive to cooperate with one another is stronger than the incentive for conflict.

It is virtue, virtue, which both creates and preserves friendship. On it depends harmony of interest, permanence, fidelity.

Marcus Tullius Cicero

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“
Harmony, liberal
intercourse with all
nations, are
recommended by policy,
humanity, and interest.
”

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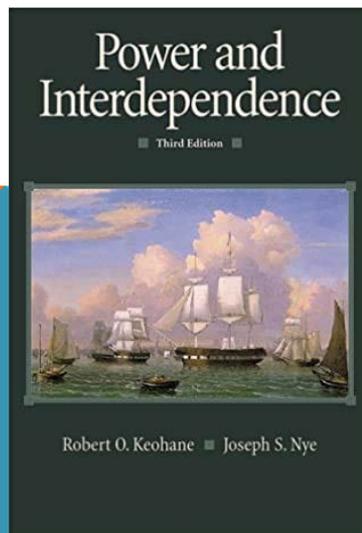
- George Washington

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Key Concepts

Complex Interdependence

An economic liberalist concept that assumes states are not the only important actors, social welfare issues share center stage with security issues, and cooperation is as dominant a characteristic of I.R. as conflict.



Complex Interdependence

- Keohane & Nye: Complex Interdependence
 - A critical response to realism
 - Called “Institutionalism” in the Brawley reading
- Major claims:
 - 1. Societies are interconnected in many ways
 - Not just leaders and militaries, as realism suggests
 - 2. States interact over many kinds of issues
 - War and security isn’t the only issue
 - Economics, environmental issues, etc., are also addressed.

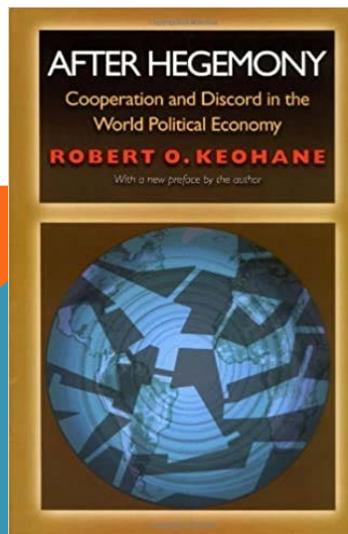
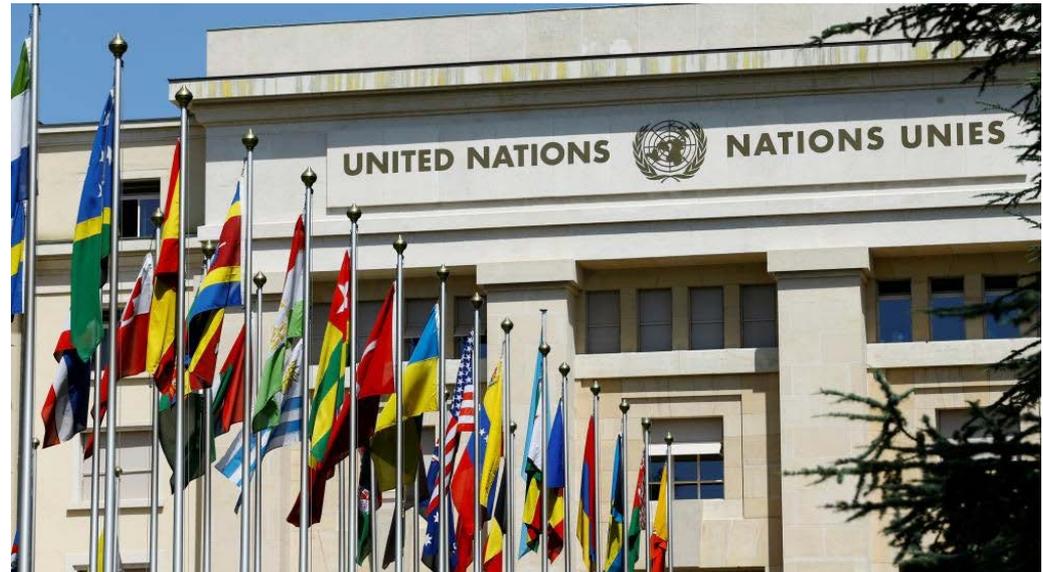
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Key Concepts

Liberal Institutionalism

A theory of I.R. that contends that global cooperation is founded on three primary factors:

- 1) Enhancing the role and influence of international organizations
- 2) Instituting collective security
- 3) Enforcing international law



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Key Concepts

Multinational Corporations

MNCs are companies that have production facilities or branches in several countries.

Multinationals

Pros	Cons
<ul style="list-style-type: none">• Economies of scale – greater efficiency and lower prices.• More research and development, leading to improved products.• Create jobs and wealth around the world.• Success a reflection they meet consumer preferences.	<ul style="list-style-type: none">• Scope for tax avoidance and lost tax revenue.• Monopoly power leads to higher prices for consumers.• Monopsony power in setting lower wages.• Often have had negative impact on environment.• Cultural homogenisation as local firms struggle to compete.

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Key Concepts

Natural Law

A view that there is a system of rules, norms, and principles for the conduct of human affairs, founded on the belief that all people have basic, inalienable rights. In theory, these rights supersede any moral authority and cannot be legitimately be denied by any government or society. Natural law is the philosophical foundation of international law.

Natural Law	Man's law
Based Upon Principles & Truth (Inherent To Creation)	Based Upon Dogmatic Beliefs (Constructs Of Mind)
Harmonized with, due to Knowledge & Understanding	Complied with, due to Fear of Punishment
Universal; exists and applies anywhere in the Universe regardless of location	Differs with location based upon the whim of legislators (Moral Relativism)
Eternal and Immutable; exists and applies for as long as the Universe exists, and cannot be changed	Changes with time based upon the whim of legislators (Moral Relativism)

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Critiques of Liberalism



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Critiques of Liberal Theory

Critics of liberalism – both institutional and economic – contend that the theory places too much emphasis on this harmony of interests.

NATIONAL BESTSELLER

“Thucydides’s Trap identifies a cardinal challenge to world order.”

—HENRY KISSINGER, *former US secretary of state*

DESTINED FOR WAR

CAN AMERICA AND CHINA
ESCAPE THUCYDIDES’S TRAP?

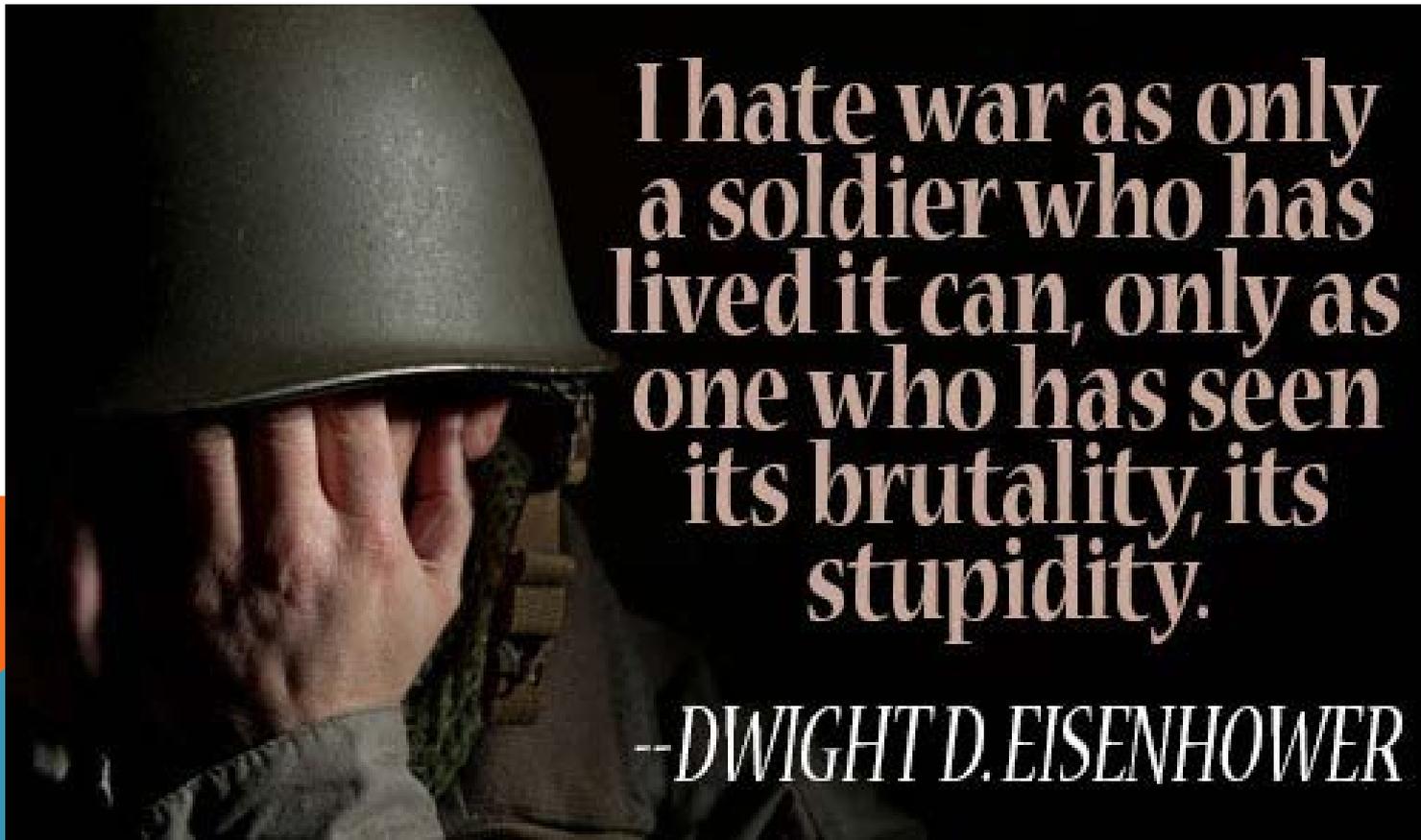
GRAHAM ALLISON



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Critiques of Liberal Theory

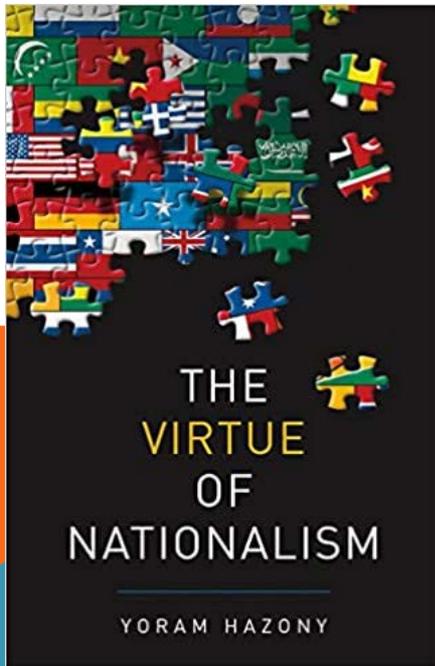
Liberalism underestimates the conflictual aspects of state interests and the benefits of cooperation can often be outweighed by fear and mistrust.



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Critiques of Liberal Theory

Liberals fail to take into account the powerful role of nationalism in world politics.



Isn't history littered with examples in which religion and ethnicity formed the basis for conflict between nations?

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Critiques of Liberal Theory

On issues of national security, the theme of national interest defined as self-interest (as opposed to liberalism's collective interest) is evident in many past and contemporary conflicts throughout the world.



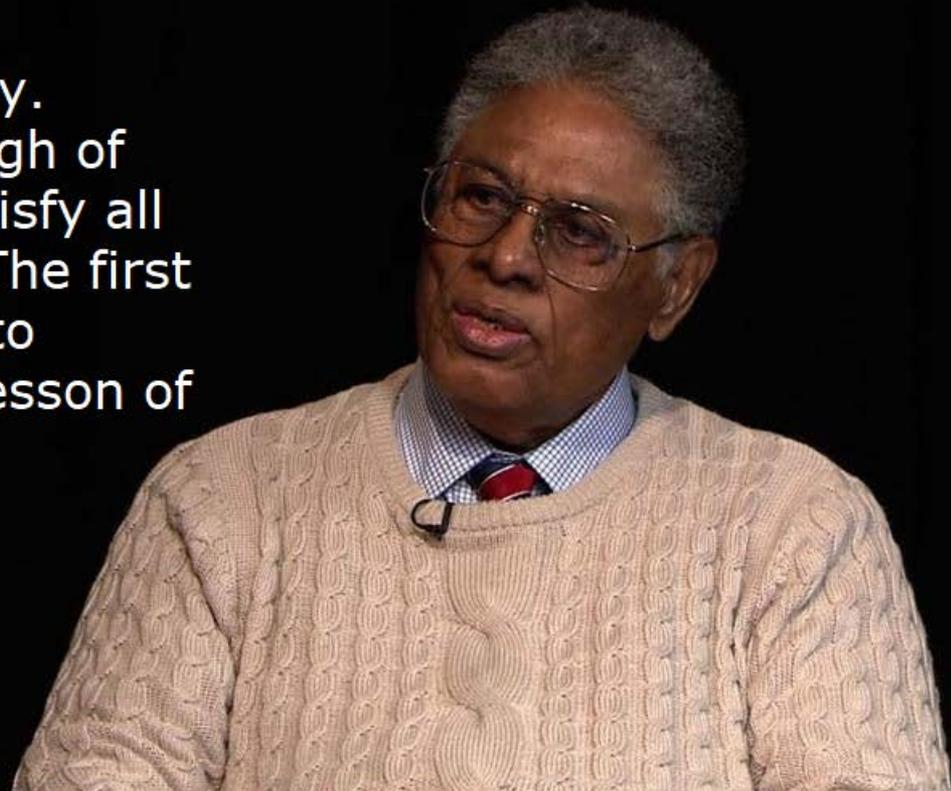
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Critiques of Liberal Theory

Realists are skeptical of the liberals' notion that "low politics" have become as important as national security issues.

The first lesson of economics is scarcity. There is never enough of anything to fully satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics.

--Thomas Sowell



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Critiques of Liberal Theory

Finally, proponents of class system theory say that in addition to being “Western-centric,” they view interdependence as exploitative of, rather than beneficial to, less-developed countries.

