America’s commitment to alliances and multilateral organizations is in question. Other western democracies are also showing a new willingness to question and challenge the institutions of the post-World War II liberal order; however, American recalcitrance should be watched much more closely as the United States was the chief architect – and has been the chief defender – of this rules-based system for the past 70 years. What contributes to current trends? What does the future hold for the United States and multilateralism; and how might policy-makers frame an approach for the 21st century? These are the questions that you will take on over the course of the conference. To that end, this discussion paper seeks to prime your engagement by providing a brief theoretical survey of how and why states use alliances and organizations in international relations; by exploring specific aspects of the post-World War II liberal order; and by framing some of the challenges – internal and external to the U.S. – faced today.

Alliances are Multilateral Organizations & Why States Sign-up

An alliance is but one type of organization, or group of individuals bound by common objectives. While alliances can take many forms, consider the North Atlantic Treaty Organization (NATO) – a political and military alliance – as an example of a multilateral organization. Fundamentally, it is also important to understand the role of institutions in international relations. Institutions are rules designed to constrain human – or state – behavior. Institutions limit choice, and by doing so provide a framework for state interaction that reduces uncertainty. Organizations are founded on – and grounded in – institutional frameworks; they oversee enforcement of the rules, and over time become agents of institutional change. When a state breaks the rules – and it is assumed that they will try – punishment mechanisms must be in place. In strong multilateral organizations, these mechanisms are credible enough to deter defection.

Why, in theory, would self-interested states in an environment of intense competition for survival opt to constrain themselves? Neoliberal international relations theorists tackled this puzzle anew in the 1980s, with the gift of thirty years of relatively successful post-World War II multilateralism. This new liberal framework accepted some of the more traditionally realist assumptions that states are self-interested actors in an anarchic international system characterized by intense security competition. However, what their findings argued is that mutual interests between states do exist; and that where cooperation can be achieved between states, all can gain. Neoliberal institutionalism found that institutions (agreed-upon rules) facilitate cooperation by increasing information flow between competitors, thus decreasing the fear that accompanies unpredictability and allowing for trust to develop over time. Sacrifices made by signatory states in terms of freedom of action are offset by the realization of mutual gains such as increased security and lower costs of doing business. For the large state, multilateralism means that they are not required to continue to pay the high price of unilateral action; the small state is afforded protection and a measure of equality.
The Post-WWII Liberal Order: Will, Means, and a Common Enemy

“Indeed, between 1944 and 1951, American leaders engaged in the most intensive institution building the world had ever seen.”

Following WWII, the United States and other western democracies were intent to design a peace that would not fail, as had that of Versailles. Whereas, in 1919 the United States had neither the will nor the means to lead a multinational organization such as the League of Nations, by 1945 it had the will, the means, and would soon face an adversary that would catalyze a liberal order already under construction.

The ideas and ideals that would underpin the new order were evident as early as the Atlantic Charter of 1941, yet it is important to consider the impact that two world wars divided by a failed peace had on the psyche of the nation. The political will to create the order was born of fear and a need for national security; the architects of the order understood that security would come not from retrenchment on the part of states, but engagement and cooperation – especially as it pertained to trade. The United Nations (UN), the Bretton Woods Agreement, the General Agreement on Tariffs and Trade (GATT, later the World Trade Organization), and the North Atlantic Treaty Organization (NATO) stand as pillars of multilateral advancement during this period. The UN’s commitment to peace, security and human rights; NATO as a collective defense organization of like-minded states; and Bretton Woods and GATT as harbingers of free trade and economic interdependence – these were each grand experiments in international cooperation the likes of which had never been seen. Self-interested states signed on and accepted institutional constraints because there was much to gain – gains from trade, as well as the value of avoiding a return to war.

The United States was uniquely positioned to lead this revolution in international institutions. Not only did the ideals underpinning the order fit within American ideals, but the U.S. came out of WWII with immense national power. U.S. Gross National Product (GNP) had increased 60% during the war; its GNP was three-times that of the Soviet Union and five-times that of Great Britain at war’s end. With such materiel strength backing its ideas, the U.S. was able to not only help design the order, but to financially secure it. Alongside the institutions mentioned above and Marshal Plan money, the U.S. also invested in a new social bargain at home. Social safety net programs such as unemployment insurance and retirement security became part of the larger idea of national security. These programs provided the domestic support necessary to the foreign policy of the liberal world order.

The bi-polar great power competition between the United States and the Soviet Union that characterized the Cold War acted to cohere and strengthen the post-war liberal order in much the same way common enemies have strengthened nations throughout history. The openness of the liberal order was not designed to counter the Soviets but became a “twin project” to that of containment as the Cold War unfolded. Mutually assured nuclear destruction added an element of relative stability by the early 1960s, but by then the die had been cast – the United States and other western governments had used this common enemy as the principal rationale for increased investments in the organizations of the post-war order. NATO became an increasingly relevant and strengthened organization in the face of a Soviet existential threat. Allied militaries were strengthened through extensive military cooperation, and their nations likewise enjoyed increased economic
interdependence and security. At the same time, the Soviet Union suffered economically due to its position outside of the western order. An expensive nuclear program and military misadventure in places such as Afghanistan, amidst continuous western pressure, contributed to its fall in 1991. The fall of the Soviet Union was a monumental inflection point in international affairs. How the U.S. and the world responded to the American unipolar moment following the Cold War laid the foundation for many of today’s challenges.

**Current Challenges**

The strength of multilateral organizations rests in the confidence that the benefits of membership – gains from cooperation – outweigh the costs of conforming. Almost thirty years after the Cold War this confidence is eroding from within as it is targeted from without. The internal challenge is one of domestic politics where globalization has given way to increased wealth inequality and nationalist domestic politics. Adversaries such as China and Russia target decreasing U.S. confidence in international cooperation, and delight in the erosion of norms that used to undergird the western liberal order.

**Erosion from Within: Globalization, Nationalism, and Norm-busting**

One driver of doubt in multilateralism is the connection between globalization and the widening domestic wealth gap in the U.S. Globalization is defined as an increase in international trade and interconnectedness between states; in many ways it is a logical continuation of the open trade-based order built post-WWII. Increased international trade, including permanently normalizing trade relations with China in 2000, led to higher levels of specialization into skilled-labor sectors such as information technology. The manufacturing sector, no longer seen as a U.S. comparative advantage, was divested. Within the most advanced and powerful economy in the world globalization created winners and losers. U.S. national power grew because the “winners were winning more than the losers were losing;” however, large sectors of the working population were left behind. Those not connected to the growth industries lost more to globalization than a paycheck – they lost their identities. Multilateralism made a suitable scapegoat for jobs lost to economic specialization and increased automation. Even if trade was made a rhetorical target-of-opportunity, popular grievance was well-founded – globalization had made the nation richer, but by 2016 the top 1% of U.S. earners held more wealth than the entire middle class.

Grievance created by globalization made new space for the identity-based politics of populism and nationalism. Multinationalism amongst democracies relies on the trust and confidence of member-state populations, which suffers in an era of increasingly divisive politics. Populism and nationalism are similar approaches in that they both operate on ingroup/outgroup psychology, which holds that pride and solidarity of an ingroup is increased by loathing and hostility towards an outgroup. Populist strategy seeks to use this dynamic within a state, as politicians claim to identify with the forgotten good people against a corrupt elite. Nationalism relies on a similar logic but is used at the international level where other nations are seen as a threat to galvanize against. Populism and nationalism are effective ways to garner public support, and they are on the rise in western democracies today to the detriment of multilateralism.

Changing norms in international relations also affects confidence in multilateralism today. A norm is “a standard of appropriate behavior for actors with a given identity.” These informal rules emerge
based on consensus, and although they constrain behavior, states – or heads-of-state – tend to conform in order to be seen as legitimate. Over time, norms become taken for granted and offer a measure of predictability and confidence crucial to multilateral cooperation in an environment of intense security competition. Populist politicians spin norms as tools of a corrupt elite – breaking them stands as a show of solidarity with an ingroup. Refusing to state support for treaty commitments and using Twitter to insult fellow heads-of-state and threaten nuclear attack are examples of norm-busting behavior that increases international uncertainty and fear. Not only are allies forced to hedge, but a broken norm can act to release constraints on others who may have similar impulses. The bar of legitimacy is thus lowered, and with it confidence in the institutions and organization of the international system.

Targeted from Without: China and Russia

“Adversaries’ use of gray zone tactics has contributed to regional instability and a ‘weakening [of the] post-WWII international order’”

There are a multitude of state and non-state actors that threaten the United States and the existing framework for multilateralism. According to a recent report released by the Center for Strategic and International Studies, Russia and China top the list of those to watch due to their possession of nuclear weapons and their demonstrated will and capability to undermine the U.S. and its allies by means short of all-out war. These operations are known as campaigning in the gray zone and can be viewed as forms of balancing behavior on the part of China and Russia. Tactics employed in the gray zone seek to turn the strengths of U.S. liberal democracy into liabilities, affecting domestic and international confidence in the U.S. as a key guarantor of multilateralism.

China presents a unique challenge, in that it is a rising great power competitor on track, according to some analysis, to surpass the United States in terms of GDP measured in market exchange rate by the mid-2020s. This potential adds a flavor of the existential to the threat that China poses as they continue to pressure the U.S. in the gray zone. Balance of power theory finds that states balance against the great power in a system. States may balance internally, by taking steps to become stronger at home; or externally, by making alliances or breaking apart undesirable alliances. China’s campaign of island building in the South China Sea; its aggressive and coercive program of international economic interdependence known as the Belt and Road Initiative; and its cyber-enabled property theft and espionage all constitute balancing against the U.S. via gray zone operations. These efforts show China’s patient willingness to subversively use – and break – the rules of the western order to build domestic power towards parity with the U.S.

Russia’s gray zone – or as they would refer to it, irregular – warfare is based on a desire to limit NATO expansion, and ultimately break the alliance apart. The most powerful tools that Russia brings to bear are information and cyber operations such as those demonstrated most recently and publicly in the U.S. election cycle of 2016. These active measures target vulnerabilities in western societies by seeding public discourse over digital and social media with misinformation, inflaming citizens on all sides of an issue. These efforts constitute external balancing, as they are aimed at weakening resolve and breaking apart an undesirable alliance. Overt aggression such as the invasion of Ukraine in 2014 cannot be discounted, yet Russia’s deep operations below the threshold of war inside NATO nations stand to have a greater impact.
Conclusion

Seventy years later, the rules-based international order designed after WWII faces threats from within and without. Real grievances held by those left behind by globalization collide with divisive identity politics and falling norms within western democracies, while adversaries such as China and Russia use this moment to improve their own position. Is the order still fit for purpose? What changes are required to restore confidence in international cooperation? How might policy-makers address domestic grievances and partisan division while championing the value of multilateralism? In the current era of uncertainty and irreversible global interconnectedness, U.S. policy-makers need new and creative answers to these questions and others in order to frame 21st century multilateralism.

Endnotes

2 Ibid., 3.
3 Ibid., 4-5.
7 Ibid., 163.
8 Ibid., 173.
9 Ibid., 168.
12 Deardorff and Stern, “What you should know,” 410.
19 Ibid., 903.
21 Ibid., 2-3.
Recommended Reading

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