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## Hegemony and Diversity in the ‘Liberal International Order’: Theory and Reality

<https://www.e-ir.info/2020/01/14/hegemony-and-diversity-in-the-liberal-international-order-theory-and-reality/>

AMITAV ACHARYA, JAN 14 2020

Most analysts attribute the uncertain fate of the Liberal International Order (hereafter LIO) to the global power shift, anti-globalization sentiments, and the rise of populist leaders spearheaded by Donald Trump. But the crisis has longer and wider roots in what might be called the *hegemony-diversity gap* at the heart of the LIO. Supporters present the LIO as an inclusive order offering substantial material benefits to the world while remaining open to participation by all (Deudney and Ikenberry, 1999). Yet, the LIO is also cast as a hegemonic order, both as a product of US (or US-led Western) hegemony and as the dominant world order with no real alternatives. This simultaneous aspiration for diversity and hegemony creates a fundamental tension at the heart of the LIO, especially in the non-Western world, where the LIO is often perceived as a narrow ideological, economic and strategic framework reflecting and advancing the interests and identity of the Western nations led by the US. The LIO's performance legitimacy from the material benefits it offered to rising powers like China and India is undercut by its normative legitimacy deficit in a world of political and cultural diversity. Meanwhile, in Western nations like the US, the benefits of the LIO offered abroad have become a source of resentment at home, thereby compounding the challenge to the LIO. This article focuses on the LIO's relationship with the non-Western (Global South, postcolonial) world, and argues that as the LIO loses its presumed “hegemony”, instead of claiming to “co-opt” the Rest, we must embrace the realities of a culturally and political diverse world.

Despite its wide prevalence today, the term liberal international (or world) order is relatively new, except in a mainly economic sense. In his 1984 classic, *After Hegemony*, Robert Keohane speaks of “liberal economic arrangements” and “liberal international political economy”, rather than “liberal international order”. Keohane was borrowing from Gilpin's observation about the role played by Britain and the US in creating and enforcing “the rules of a liberal international economic order” (Keohane, 1984: 31, 8, 54). It was after the Cold War that the liberal order, strengthened by the end of communism and the advancement of democracy and capitalism under an internationalist US leadership, acquired its broadest meaning: encompassing economic interdependence (free trade), multilateral rules and institutions, democratic political systems, and values and norms (especially universal human rights). Ikenberry, the scholar who has done most to popularize the liberal international order as a broader concept, defines the liberal order rather vaguely as an “order that is open and loosely rule-based” (Ikenberry 2011:18) but like Keohane, sees it as a product of US hegemony, with particular stress on US-led multilateral institutions and institutional-binding. He calls it variously as “liberal hegemonic order” (xi, 224); “American-led liberal world order” (xii); “American-led liberal hegemony” (224); “the American system, the West, the Atlantic world, Pax Democratica, Pax Americana, the Philadelphia system” (35). The association between US hegemony and LIO is at the heart of debates over its future.

### Hegemony vs Diversity

To illustrate the hegemony-diversity gap, or the lack of fit between these theories that are derived primarily from a Western context (while aspiring to have universal validity), and the realities of postcolonial world, I examine three liberal theories of IR. To the extent that theories aspire to explain reality, the gap suggests not only the limitations of theory, but that of the LIO itself.

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## *Regional Integration Theories*

In the 1950s and 1960s, some of the most sophisticated liberal IR theories were neo-functionalism and transactionalism, which offered the promise of peace and welfare gains through regional economic integration. Neo-functionalism closely paralleled the emergence of the European Economic Community (EEC). But it proved to be a poor fit in the postcolonial world. Many factors account for this disjuncture, which my paper will discuss in detail. A key factor was differing motivating forces, with the EEC conceived as a project to tame nationalism and constrain state sovereignty, whereas non-Western regionalisms were inspired with exactly the opposite motivations, to advance nationalism and preserve sovereignty after long periods of colonial rule. Nowhere in the non-Western world would economic regionalism based on the neo-functionalist model, involving market centralisation and generation of welfare gains, produced the desired “spill-over” effect leading to cooperation over security issues. As the leading neo-functionalist scholar, Ernst Haas, conceded, the “application [of the neo-functionalist model] to the third world ...sufficed only to accurately predict difficulties and failures of regional integration, while in the European case some successful positive prediction has been achieved” (Haas, 1973: 117).

## *Interdependence and Regime Theory*

In the 1970s, the main focus of liberal IR theory moved from regional integration to international interdependence, with Haas warning that regional integration theories failed to recognise “new interdependence patterns transcending the region”, and these and system change are more relevant and “more interesting themes” that “ought to be explored” (Haas, 1975: 1, 9, 17). Keohane and Nye (1977) did this reconceptualization two years later in their *Power and Interdependence*, and Keohane’s *After Victory* (1984) laid the foundation of neo-liberal institutionalism. But while regional integration theories were seen as Eurocentric, neoliberal institutionalism was Americanocentric. In *International Institutions and State Power* (1989: 67) Keohane confessed his theory “reflects the Americanocentrism of scholarship in the United States, and I regret it.” This disarming honesty did not, however, make much difference. Although work on regimes proliferated, with some notable exceptions, it was mostly concerned with the relationship among the Western countries. As Robert Cox noted, “regime theory has much to say about economic cooperation among the Group of 7 (G-7) and other groupings of advanced capitalist countries ...It has correspondingly less to say about attempts to change the structure of world economy, e.g. in the Third World demand for a New International Economic Order (NIEO)” (Cox, 1992: 173). Critics also noted neoliberal institutionalism’s tendency to “assume, rather than establish, regimes as benevolent, voluntary, cooperative and legitimate” (Keeley, 1990: 90), thereby ignoring the coercive aspects of the role of some multilateral institutions (e.g. the IMF) in the South.

## *Liberal Hegemony*

Before the current debate over its future of LIO gained prominence, I had argued that the LIO was for much of its history a selective club of Western nations (Acharya 2014). Many non-Western countries had either stayed out of it on their own volition, or were kept out of it by Western leaders for instrumental and identity reasons. China and Russia were not part of the WTO; while India, despite being a member, was not an open economy. Politically, human rights and democracy posed another barrier to entry to the club by non-Western nations. Because of the Western liberal powers’ colonial past, their military interventions in the Third World, the uneven spread of the benefits of free trade and the coercive role of institutions like the IMF in debt-ridden nations, the LIO was suffering from a legitimacy problem. I also questioned the prevailing liberal position which held optimistically that the rising powers such as China and India, who had benefitted much from it, can be coopted into the LIO. My then contrarian view has now gained wider currency after Trump’s coming into office. I would now add that the challenge to LIO is not just from selected rising powers like China, but also from the transformations within the Global South more generally. Moreover, the LIO is now under challenge not just from outside, but from *within*, as exemplified by US President Donald Trump, making his rule the *consequence*, rather than the *cause* of the crisis of the LIO. At the same time, while China shows support for the economic aspects of the LIO, it is challenging the political and normative aspects and to some extent the institutional elements (with initiatives like New Development Bank, and the Belt and Road).

## **Diversity and Complexity in the Global Order: A Research Agenda**

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I do not argue that the LIO will disappear, but that it will lose its presumed "hegemony" in the face of challenges from other ideas and orders, especially regional orders. I accept Keohane's (1984) argument that it is easier to continue with existing institutions than build new ones. But the global circumstances when Keohane wrote this were quite different; while US hegemony was declining, others were not yet quite rising. The position of countries that Keohane did not study because of his self-confessed Americanocentrism, are much more significant now. Stability in this complex, multi-ordered world require negotiating mutual accommodation between the LIO and its competition.

The ways in which the LIO might eclipse or endure as a non-hegemonic but influential component of the global system could be the basis of a productive research agenda. IR scholars differ on how and to what extent the LIO can reform and adapt (See Acharya 2016, especially chapters by Acharya, Deudney, Kahler and Hall). Some follow Ikenberry in keeping faith with liberal hegemony albeit in an unspecified "reconstituted" form. Others like Kahler believe that a separation of domestic politics from international cooperation, i.e. allowing China and Russia to remain autocratic while cooperating with them for global governance, might preserve the liberal order. But critics (RB Hall for example) doubt if such a decoupling is possible and if it is, would really deter China from seeking major changes to international order. Non-Western scholars and policymakers demand changes that might significantly alter the contours of international cooperation. All this is bound to accentuate the growing complexity and "creative fragmentation" of the global governance architecture and constitute important themes of the research agenda on the fate of the LIO.

A related agenda concerns the redefinition and pluralization of agency in world politics (Acharya 2018), to allow more in-depth investigation into the role of postcolonial actors in order-building. Much of the existing literature on the Global South, whether from realist, liberal or even some post-colonial perspectives, either ignores this agency or presents North-South relations as a structural conflict. However, a new and exciting body of work is uncovering significant contributions by non-Western countries to the making of the post-World War II order, such as Kathryn Sikkink and Chris Reus-Smit's studies on the origins of universal human rights, Acharya's on universal sovereignty and regional integration, Eric Helleiner's on the genesis of Bretton Woods institutions, and Weiss and Roy's on the UN system (for a discussion of these and original sources, see Acharya 2018). While these helped to bring about and strengthen the LIO, they remain substantially unacknowledged, a theoretical blind-spot that contributes to the LIO's crisis of legitimacy in the postcolonial world. Much more work of this type is necessary, using a broader conception of agency that includes material and ideational elements, exercised at global, regional and local levels and across issue areas. This is not just cultural agency, but resonates with Reus-Smit's (2017) call for greater attention to cultural diversity in international order.

Yet another area of further research concerns the relationship between the LIO and regional orders. The latter is not the same as just regionalism, but includes a variety of structures and processes, ranging from spheres of influence of global or regional powers (e.g. China, Russia) to pluralistic security communities such as the EU's. In between are a variety of accommodative regional bodies (such as ASEAN). Some proponents of LIO see regional-global relationship as adversarial, but regional orders may also be open, and complimentary to liberal norms, especially in economics and ecology. Regional spaces allowing greater autonomy to non-Western actors while maintaining their links with the global system will be key to managing the from liberal hegemony to a more decentered world while preserving some of the core elements of the LIO such as free trade and multilateral institutions. The groundwork for such research has been laid by recent advances in the comparative regionalism literature, which reconciles both diversity and interdependence among regional orders in an increasingly complex world (Börzel and Risse, 2016).

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