

Transcript: What Is the Liberal World Order?

From natural disasters, to deadly diseases, to wars, the world can be a turbulent, even chaotic, place. But around seventy-five years ago, a new system was imagined to temper this turbulence and improve the lives of many. It is called the liberal world order.

It is a liberal system in the sense that it operates on rules that are, in theory, applied to each country equally and that it encourages each country to be democratic and to open its economy to the rest of the world. It is a global system in that every country around the world is encouraged to join and follow those rules, even if some do not. And it is a system that promotes order in that most countries that buy into it respect the borders of other countries and seek to resolve their differences peacefully.

It was developed in an effort to avoid repeating the major man-made disasters of the first half of the twentieth century: the Great Depression and two world wars. Following World War II, the United States, along with several other countries, started drafting an aspirational blueprint for what later became known as the liberal world order by establishing certain international institutions.

The United Nations was built to promote peace between countries. The World Bank would support global economic development. And the International Monetary Fund and the General Agreement on Tariffs and Trade, which later became the World Trade Organization, would support investment and trade between countries.

While these institutions provided the blueprint for the liberal world order, the system was really powered by the United States. Its victory in World War II and booming postwar economy set an example for the rest of the world. The U.S. credited democracy and free markets for its success and urged other countries to become more democratic and to build economies that were open to trade and investment.

Oftentimes, the U.S. would offer financial aid to other countries on the condition that they make such liberal reforms. At the same time, the United States' military strength and global network of alliances helped maintain order. If any country tried to undermine the system or threatened to invade one of its allies, the U.S. was ready to apply economic pressure or stop them with military force. Though it wasn't the only one.

The illiberal Soviet Union was the most powerful country to opt out of

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the liberal world order. While it was a member of the United Nations and other international institutions, it had no interest in becoming more liberal or democratic. Instead, the Soviet Union was focused on building its own order and promoting the adoption of its heavy-handed economic model, often by threatening or even using force against neighboring countries.

The Cold War, which started in 1945 as World War II was ending, was a competition between the U.S.-led liberal world order and the Soviet-led illiberal order. The two leading countries used their economic, political, and military power to expand and defend their respective orders for over forty years. And while they never fought each other directly, they did fight each other indirectly through allies and proxies.

In 1991, when the Soviet Union fell apart, the order it had controlled also disappeared. And the countries within it began to join the U.S.-led liberal world order instead, making it more robust than ever. Many countries in Eastern Europe that had been in the Soviet sphere of influence joined NATO, the European Union, or both, as did many independent countries that emerged from what had been the Soviet Union.

While there were still conflicts between and within countries—notably in Eastern Europe, the Middle East, and Africa—by the end of the 1990s, this system had produced a world that was more peaceful, more democratic, more prosperous, and healthier than ever before. The world economy had grown more than six times larger in size. And people were living more than twenty years longer on average than they had been back in 1945.

But since the late 2000s, the liberal world order has become weaker and is facing challenges on every front. The liberal world order is now less liberal. Some countries are less democratic at home and less inclined to support human rights and the rule of law elsewhere.

The liberal world order is now less orderly. Some countries are ignoring the territorial integrity of others, like when Russia invaded Ukraine in 2014 and annexed the Ukrainian territory of Crimea. Also international institutions are struggling to address major problems that require collective action, like the spread of nuclear weapons and global pandemics or stemming conflict and violence within countries. And combating new sources of disorder, from cyberattacks to climate change, will require new rules and international coordination, which do not yet exist.

The liberal world order is now less global. Powers like China are trying to

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build their own regional orders through military and security coordination and by offering loans and investments in infrastructure, enabling them to exert greater influence on their neighbors' economic and political decisions.

Historically the United States has been the principal leader and greatest supporter of the liberal world order. But that commitment has weakened in recent years. The American people have become less supportive of using the country's military on behalf of policies they believe are too costly or do not involve vital national interests. And some leaders of countries allied to the United States have grown less confident that the U.S. would come to their defense if they come under attack.

The beating heart of the liberal world order has slowed. And it is unlikely there is a country or group of countries that could take on the U.S.'s role and responsibilities. China is powerful but uninterested in supporting liberalism or democracy. And even if it was, its authoritarian model is unattractive to much of the world. European countries might be interested in working together to support it, but they have their own challenges and lack sufficient power.

So that leaves the U.S. as the best contender to lead a renewal of the liberal world order by encouraging international coordination. If the U.S. fails to address the challenges facing the liberal world order, it will continue to weaken. And the world will likely become less prosperous less peaceful, and less democratic once again.