LIBERALISM: A THEORETICAL AND EMPIRICAL ASSESSMENT

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In the study of politics, liberalism ‘has been employed in a dizzying variety of ways’ and carries multiple meanings (Bell 2014: 682). Liberalism emphasizes how ‘individual freedom, political participation, private property, and equality of opportunity’ contribute to political stability (Doyle 1997: 206). In the study of International Relations (IR), liberalism focuses on how human reason, progress, freedom, and individual rights can contribute to peace and security. Born of the Enlightenment, liberalism ‘strives for, and believes in, improvement of the human condition and provides a rationale for building cooperative institutions that can facilitate better lives for human beings’ (Keohane 2012: 127). While liberals contend that progress toward peace and prosperity is possible, they often disagree over the pace and ease of this progress. Advancing toward a more peaceful world order is a central theme of liberalism and will serve as the focus of this review.

Most liberal theorists posit that international peace and security will increase with democracy, free trade, and membership in international organizations. First, democratic states will be less likely to initiate and escalate conflicts with other democracies (i.e. the inter-democratic peace). Second, international conflict will be reduced among states engaging in international trade. Third, democratic states are more likely to seek cooperative solutions through international institutions. While there are significant differences between liberal thinkers, all share a general faith in the pacifying effects of political liberty, economic freedom, interdependence, and international organizations.

Before proceeding, we must dispel one persistent myth that has clouded understandings of liberalism: the association between liberal internationalism and normative-laden versions of idealism. Howard (1978: 11) once defined ‘liberals’ as ‘all those thinkers who believe the world to be profoundly other than it should be, and who have faith in the power of human reason and human action so to change it’. But liberal theory provides much more than imagining a world as it should be. Like realist theory, liberalism provides a coherent set of principles and propositions that explain and predict inter-state relations. By one recent account, quantitative studies testing liberal hypotheses in IR have come to outnumber realist studies published in leading IR journals (Walker and Morton 2005). Given the prevalence of empirical studies testing liberal hypotheses in IR, liberalism cannot be characterized as an exclusively normative, utopian project. We will therefore devote considerable effort to assessing liberal claims in light of the empirical evidence.

Liberalism can be categorized in a number of ways. Zacher and Matthew (1995: 121) present six strands of liberal international theory. Keohane (2002) and Moravcsik (1997) employ the
more conventional categories of ideational, commercial, and republican liberalism. In this chapter, drawing from Walker (2008), we begin by comparing Immanuel Kant’s \textit{evolutionary liberalism} to Thomas Paine’s \textit{revolutionary liberalism} in a first subsection. While Paine’s revolutionary liberalism assumes harmonious preferences ensuring cooperation, Kant’s evolutionary liberalism recognizes both shared and competing preferences that make cooperation more challenging but still attainable. After surveying the classical origins, we evaluate mounting empirical evidence supporting the core liberal claims that democratic institutions, economic interdependence, and international institutions may all be contributing to the recent decrease in the severity of global wars.

\textbf{Classical liberals: evolutionary vs. revolutionary liberalism}

In this chapter, we trace the most significant liberal claims to the works of Paine and Kant. The pillars of the liberal peace are: (1) democracy reduces military conflict, (2) economic interdependence reduces military conflict, and (3) international institutions reduce military conflict (Russett and Oneal 2001: 35).

\textit{Democratic peace and intervention}

Just as the balance of power commands realist thought, the democratic peace is central to liberalism. Paine and Kant were among the first to articulate why democratic states may behave more peacefully, especially toward one another. In \textit{Common Sense}, Paine (1776: 80, 95) pointed out that the republics (i.e. democracies) of the world tended to be peaceful. This results from the democratic tendency to ‘negotiate the mistake’ rather than letting regal pride swell ‘into a rupture with foreign powers’. In \textit{Rights of Man}, Paine (1791/2: 47) acknowledged that ‘The right of war and peace is in the nation.’ By allowing the people to decide, Paine was confident that they would avoid the costs of war and choose peace. Paine’s democratic ebullience rests on an extremely optimistic view of human nature. Individuals, once freed from the yoke of oppressive governments, will rapidly rise up to form reasonable, just, and peace-seeking democratic regimes.

Kant published \textit{Perpetual Peace} in 1795, three years after Paine’s \textit{Rights of Man} became widely circulated. Kant (1795: 100) took up the same themes, including the democratic peace, proclaiming that if ‘the consent of the citizens is required to decide whether or not war is to be declared, it is very natural that they will have great hesitation in embarking on so dangerous an enterprise. For this would mean calling down on themselves all the miseries of war.’ Kant, however, did not share Paine’s confidence that transitions to democracy and peace would be quick and easy. While Paine (1791/2:119) anticipated the emergence of democracy in all the ‘enlightened nations of Europe’ within seven years, Kant was sceptical of rapid transitions. As an evolutionary liberal, Kant (1784: 42) envisioned a slow, grinding progress toward democracy. Despite their disagreements over the pace that democratization may take, they both believed, as do all liberals, that free peoples will be rational, cooperative, and transparent in matters of national security. When these attitudes are shared between peoples, peace will occur.

Liberal enthusiasm for democracy can encourage military interventions to spread democracy. These interventions are often cast as ‘a core aspect of the foreign policy of liberal states’ (Jahn 2012: 685). However, liberals have long disagreed over the question of intervention. Evolutionary liberals are critical of these interventions since democratic institutions develop gradually and cannot be forced by external actors. In one of his ‘Preliminary Articles’ in \textit{Perpetual Peace}, Kant (1795: 96) determined that ‘No state shall forcibly interfere in the constitution and government of another state.’ Such an act would be ‘a violation of the rights of an independent people’. 
Revolutionary liberals like Paine, however, advocate military action to spread democracy. In *Rights of Man*, Part II, Paine (1791/2: 115) pledged to join the French general in a ‘Spring Campaign’ against Prussia. Such a campaign was justified on national security grounds: ‘When France shall be surrounded with revolutions, she will be in peace and safety.’ For Paine, the democratic peace would be a peace between democratic states and not a peace enjoyed by any single democracy. Revolutionary liberals cast such interventions in the interests of all democracies. While democratic rule is the core of liberal theory, spreading it through military intervention has been a longstanding source of disagreement.

**Peace through trade**

The peaceful effect of trade is the second pillar of liberalism. Paine frequently pointed to how economic interactions would reduce misunderstandings that might lead to conflict. He (1791/2: 172) asserted that free trade creates ‘a pacific system, operating to cordialize mankind, by rendering nations, as well as individuals, useful to each other . . . If commerce were permitted to act to the universal extent it is capable, it would extirpate the system of war.’

While Kant also saw trade leading to peace, his reasoning was somewhat distinct from Paine’s. A less utopian and more pragmatic Kant posited that trade may lead to peace because of shared interests of international financiers and businessmen. Kant (1795: 114) claimed that ‘the spirit of commerce sooner or later takes hold of every people, and it cannot exist side by side with war. And of all the powers (or means) at the disposal of the power of the state, financial power can probably be relied on most’ (emphasis in original). He (1795: 114) also argued that ‘states find themselves compelled to promote the noble cause of peace, though not exactly from motives of morality. And wherever in the world there is a threat of war breaking out, they [trading states] will try to prevent it by mediation.’

**International law and organization**

While international law and organization constitute a third pillar of liberalism, revolutionary liberals place them in higher regard. Paine (1801: 2) thought it ‘absolutely necessary that a Law of Nations be formed.’ He advocated global governance with power to sanction any state violating international law. Such an organization would also play a key role in global arms reductions, especially in reducing the number of warships.

Evolutionary liberals view international law and organization with more scepticism. They see these organizations as one source of global order, but sovereign states would remain the leading actors. While Kant explored a ‘voluntary confederation of republican states’ in *Perpetual Peace*, states would maintain their sovereignty. Kant (1795: 113) feared global governance because ‘laws progressively lose their impact as the government increases its range, and a soulless despotism . . . will finally lapse into anarchy.’ Kant (1795: 103) referred to international law proponents like Grotius as ‘sorry comforters’.

**Empirical tests of liberalism**

Over the last quarter century, the three pillars of the liberal peace have come under intense scrutiny from sympathetic liberals and sceptical realists. Empirical tests have ranged from quantitative analysis (Huth and Allee 2002) and laboratory experiments (Geva and Hanson 1999) to historical case studies (Layne 1994) and computer simulations (Rousseau 2005). In the following subsections, we examine the balance of findings for these three central claims. Overall, the empirical literature strongly supports these liberal claims.
Liberalism: a theoretical and empirical assessment

Claim 1: democracy reduces military conflict

Liberals predict that democratic states are better able to resolve international disputes without resorting to military force than non-democratic states. Realists disagree and predict that states will balance (e.g. increase defence spending or establish alliances) against all stronger states because these powerful agents represent a threat to a state residing in anarchy. For realists, democracies will behave just like autocracies: they will balance against the strong and use force if the situation calls for it.

Early empirical research on the behavior of democracies seemed to confirm the realist predictions. Wright (1942: 841) concluded that regime type has little impact on the frequency of war because democracies possess attributes that both encourage and discourage war. In an early statistical analysis of the relationship between war and regime type, Small and Singer (1976: 67) concluded that democracies had not been noticeably peaceful over the 1816–1965 period. In the following decade, Chan (1984) and Weede (1984) reached a similar conclusion using quantitative analysis techniques and large cross-national times-series data sets. Although some evidence supporting the democratic peace emerged (Babst 1972; Rummel 1983), the realist position reflected the general consensus in the early 1980s.

The realist consensus came under attack in a series of articles by Doyle (1983; 1986). Doyle reframed the debate by looking at the characteristics of both the initiator of conflict and the target of conflict. After compiling a list of liberal societies from 1700 to 1982 and a list of interstate wars from 1816 to 1980, Doyle found that no two democracies had engaged in a full scale war against one another. He concluded that ‘liberal states have created a separate peace, as Kant argued they would, and have also discovered liberal reasons for aggression, as he feared they might’ (Doyle 1986: 1151). Doyle’s path-breaking work triggered an avalanche of studies on the democratic peace. According to Levy (1988: 662), ‘the absence of war between democratic states comes as close as anything we have to an empirical law in international relations.’

Although there have been some critiques of the claim (e.g. Layne 1994; Gowa 1999; Oren 2003), none has challenged the finding that no two established democracies have gone to war. Most of the empirical analysis has centered on the causal mechanisms: why do democracies behave differently toward one another? When a dispute erupts between two democracies, each side knows that the other faces domestic constraints on the use of force. This expectation limits bluffing, dampens spirals of hostility, and slows the mobilization process. Extensive empirical analysis has been produced for the dyadic, inter-democratic peace (Babst 1972; Doyle 1983, 1986; Maoz and Russett 1993; Russett and Oneal 2001; Rousseau 2005).

A second explanation falls at the state level of analysis and claims that democracies are more peaceful regardless of the opposition (referred to as the ‘monadic’ democratic peace). Here the causal mechanism does not focus on expectations about the behaviour of the other party in the dispute. Rather, democracies are less likely to initiate disputes and escalate crises because they are constrained by domestic institutions and norms of conflict resolution. The existence of domestic political opposition makes democratic leaders more risk-averse because foreign policy failures (and even costly successes) can be politically costly (Morgan and Campbell 1991; Morgan and Schwebach 1992; de Mesquita and Siverson 1994). Although the early research did not provide much support for this monadic argument, a number of more recent studies have produced strong statistical evidence in support of the hypothesis (Schultz 2001; Huth and Allee 2002; Bueno de Mesquita et al. 2003; Bennett and Stam 2004; Rousseau 2005).

The most persistent critiques of the democratic peace come from those claiming capitalism provides a better explanation (Mousseau 2000; Gartzke 2007). Free market attitudes and integrated economies may explain the peace between democratic states better than the democracy.
variable. Mousseau (2009), for instance, argues that ‘contract-intensive’ economies will generate peaceful interaction with similar economic systems. These claims, however, have been challenged by Dafoe et al. (2013). Capitalist peace scholars also cannot easily explain the destructive wars fought between capitalist states engaged in high levels of trade, notably Germany and Britain in 1914. While capitalism is an element of peace, as liberals predict, it does not discredit the strong empirical evidence linking the expansion of political liberty to a reduction in interstate conflict.

**Claim 2: economic interdependence reduces military conflict**

Economic interdependence is traditionally defined as the degree to which two (or more) states are connected by flows of goods, services, capital, labor, and technology. Liberals predict that these flows will encourage peace. Realists predict that economic interdependence increases the probability of conflict by expanding the number of issue areas under competition (Waltz 1979: 138). For example, Gaddis (1986: 110) argues that economic isolation between the East and West contributed to the ‘long peace’ during the Cold War.

Liberals posit several causal mechanisms in this relationship. First, decision-makers will calculate the costs of escalating a dispute with a trading partner. If two states are highly interdependent, decision-makers will be less likely to use force. Second, as Kant emphasized, firms and workers benefiting from international trade and investment will pressure government representatives to de-escalate disputes that arise between trading partners. Although research has not decisively disentangled these distinct (but complementary) causal mechanisms, the empirical literature provides significant evidence supporting the interdependence claim (Wallensteen 1973; Gasiorowski 1986; Polachek and McDonald 1992; Mansfield 1994; Russett and Oneal 2001).

Some scholars have qualified the liberal interdependence claim by specifying conditions that restrict the scope of the claim. For example, Keohane and Nye (1977: 10) make a clear distinction between symmetrical interdependence (i.e. both states are equally dependent on each other) and asymmetrical interdependence (i.e., state A is very dependent on state B, but state B is not very dependent on state A). While symmetrical interdependence creates a mutual desire for continued trade and investment, asymmetrical interdependence invites attempts to exploit weakness and manipulate behaviour (also see Hirschman 1945). In a similar vein, Copeland (1996) argues that the expectation of continuing trade is the key conditional variable. Only if state leaders expect trade to continue (or increase) are they less likely to use force. Finally, Ripsman and Blanchard (1996/7) contend that interdependence should only inhibit conflict if the trade involves strategic goods (e.g., oil or nitrates) which cannot be supplied from alternative sources. If substitute goods or markets are readily available, the cost of disrupting the relationship can fall dramatically.

Some argue that the empirical relationship between trade and conflict may be spurious. For example, Gartzke (2007) provides statistical evidence that market openness rather than trade interdependence (or democracy) reduces violence in the post-Second World War era. Similarly, Kim and Rousseau (2005) find that the pacifying impact of trade evaporates when using several different measures of interdependence and a model of reciprocal causation (i.e., simultaneously testing two claims: military conflict decreases trade AND trade decreases military conflict). It should also be noted that the findings from qualitative case studies are often inconsistent with the theoretical expectations. For example, Ripsman and Blanchard (1996/7) find little concern for the costs of interdependence in their analysis of historical crises among great powers during the July Crisis in 1914 and the Remilitarization of the Rhineland Crisis in 1936. Combined with the findings of the capitalist peace, significant empirical evidence supports the liberal claim that trade and interdependence are associated with peace. These findings, however, are less robust than the democratic peace claim.
Claim 3: international institutions reduce military conflict

The third pillar of the liberal peace claims that international institutions decrease the probability of conflict. In contrast, realists tend to view international institutions as either generally ineffective or the instruments of powerful states (i.e., international institutions have no independent causal impact, Mearsheimer 1994/5; Organski 1968). Although most realists and liberals would agree that the number of international institutions has grown exponentially over the last 100 years (e.g., Shanks et al. 1996), they disagree over their impact.

Early studies focused on formal ‘international organizations’ such as the UN. However, over time the research programme expanded beyond analysis of rules, procedures, and outcomes within formal institutions (e.g., UN voting patterns) and toward ‘international institutions’ more generally, including broad conceptualizations of ‘global governance.’ For example, Lipson’s analysis of the banking sector’s response to the debt crisis in the 1980s emphasizes the ‘informal’ regime created by banks seeking cooperation with each other (Lipson 1986). Following the lead of Mearsheimer (1994/95: 9), we can define international institutions broadly as a set of rules that govern how actors cooperate and compete within an issue area (see Simmons and Martin 2002). These rules govern behavior in formal institutions such as the World Trade Organization (WTO) and informal institutions such as the debt-crisis banking regime.

These institutions promote cooperation in a wide range of issue areas, from trade and the environment to human rights and gender equality. In the more restricted domain of peace and security, how do international institutions promote peace? First, collective security organizations and alliances can promote peace by deterring aggression or intervening to halt a conflict (Huth and Allee 2002: 278). Second, international and regional institutions can mediate disputes (e.g., the good offices of the UN secretary general) or provide for arbitration (e.g., International Court of Justice). Third, international institutions can monitor compliance with agreements and reduce transaction costs for follow-up accords (Keohane 1984). Fourth, international institutions can promote conflict-reducing norms and alter identities and related interests (Wendt and Duvall 1989; Barnett and Finnemore 1999). Many international institutions reduce conflict through several of these mechanisms simultaneously. For example, the WTO and the Organization for the Prohibition of Chemical Weapons (OPCW) adjudicate disputes, monitor compliance, encourage norms (e.g., promoting economic liberalism in the WTO and banning weapons of mass destruction in the OPCW), and alter cost-benefit calculations (e.g., increasing trade ties in the WTO and collectively punishing of defectors in the OPCW).

Although this pillar of the liberal peace has produced mixed results, extensive evidence supports predictions that international institutions reduce military conflict (Oneal et al. 2003). Despite the intensity of the superpower conflict during the Cold War, new international institutions helped foster a degree of cooperation. In some cases, the link between international institutions and conflict was quite direct. For example, studies have highlighted the role of the International Atomic Energy Agency (IAEA) in curtailing proliferation among rivals such as Brazil and Argentina (Cirincione et al. 2005). In other cases, the role of international institutions was indirect (Dorussen and Ward 2008). For example, most observers credit the General Agreement on Tariffs and Trade (GATT) and the WTO with contributing to the explosive growth in trade during the post-Second World War period (Held et al. 1999: 175). In more general terms, Russett and Oneal (2001: 170–1) find that as two states increase their membership in international organizations, the probability of military conflict declines. Boehmer et al. (2004) argue that international organizations vary with respect to reducing conflict. They demonstrate that organizations with greater institutional structure, particularly those with a security mandate.
and low levels of member contentiousness, are more likely to reduce interstate conflict. Shifting to the duration of conflict, Shannon et al. (2010) find that international organizations decrease the length of international conflicts. Using network analysis, Dorussen and Ward (2008) demonstrate that membership in international organizations has both a direct and indirect pacifying effect. Although no liberal would claim that international institutions are sufficient for peace, these institutions appear to reduce a wide variety of conflicts.

Patterns of progress: charting the decline in severity of war

Classical liberals provide theories of how the world might progress towards peace, albeit at different rates and degrees of difficulty. Progress remains the bedrock of all liberal approaches to IR and provides a point of contention between realists and liberals. Keohane (2002: 45) noted how ‘liberalism believes in at least the possibility of cumulative progress, whereas realism assumes that history is not progressive’. For realists like Mearsheimer (2001: 24, 17), this liberal notion of progress ‘clashes with the realist belief that war is an intrinsic element of life in the international system’ and there is ‘no easy way to escape the harsh world of security competition and war’. While this contention may never be resolved, we can look to recent empirical trends to shed light on questions of progress towards a more peaceful world.

The decline of great-power wars has been widely acknowledged. We are living amidst the longest period of peace between great powers since 1495, when the modern state system emerged (Levy, 1981). Articulating a progressive, liberal explanation for this peace, Mueller (1989: x) argues that ‘peoples and leaders in the developing world – where war was once endemic – have increasingly found war to be disgusting, ridiculous, and unwise’. Mueller’s explanation coincides with Paine and Kant: reason prevailed and people are beginning to learn to avoid large, costly wars.

With the end of the Cold War and the rise of globalization, liberals were confident that the peace enjoyed between wealthy states would spread to the rest of the world. Realists challenged this liberal optimism. However, in the quarter-century since the end of the Cold War, levels of war and violence in the post-Cold War world have continued to decline, contrary to realist expectations. Relying on data from the Correlates of War Project and the Uppsala Conflict Data Programme, Levy et al. (2001: 22) demonstrate that the ‘decade from 1986 to 1995 has been the most peaceful ten-year period since World War II.’ They note that ‘the common assumption that the spread of ethno-national and civil wars in the 1990s has contributed to an increase in the frequency and severity of war may not be true’. Mack’s (2005) report supported the claim that armed conflicts have decreased in the years following the Cold War. Pinker’s (2010) far-reaching work also shows a decline in violence across a number of measures. Goldstein (2011) further documents this decline and argues that international peacekeeping efforts are one of the possible causes. Even a realist naysayer of progress like Mearsheimer concedes that there has been a decline in violence. In a review of Goldstein, Mearsheimer (2013: 570) accepts the claim that ‘there has been a marked decrease in warfare since 1945, especially since the Cold War ended.’ Taken collectively, these studies show that the probability of dying in a political conflict today is far less than at any time for which we have data. This decline is one tangible sign of progress that fits the liberal expectations.

While we should not ignore how this trend toward peace fits liberal expectations, a few important caveats are in order. First, trends are often reversed. World War I, for instance, occurred in the wake of a long, unprecedented period of peace in Europe. Second, this trend is relative. While the probability of death from political conflict has decreased for the world population, bloody conflicts still rage in many parts of the world, terrorist activity is rising, and the absolute numbers of people dying from political conflict remain high. Third, the factors
driving this decline in violent wars have not yet been clearly identified. Therefore, instead of engaging in liberal triumphalism, continued analysis of liberalism’s three major factors for peace remains in order.

Conclusion

No brief overview can examine all the claims within the broad theory of liberalism. Our discussions of democracy, free trade, and international organization, first articulated by Paine and Kant, reflect the core of the liberal research programme in IR. Several other elements of liberalism, both theoretical and empirical, could have been elaborated. For instance, Lamb (2015) surveyed Paine’s influence on contemporary human rights. Williams (2012) critically applied Kant’s thought to the evolution of the just war tradition. The idea that democracies will devote less to military budgets, a claim made by both Paine and Kant, has been empirically supported by Goldsmith (2003) and by Fordham and Walker (2005). Reiter and Stam (2002) present evidence that democracies are more likely to win wars, another idea originating in the classical thought of Paine. These studies, along with many others, demonstrate the wide-ranging research within liberalism.

Overall, we have shown that there is strong empirical evidence supporting several claims first articulated by classical liberals. First, the world has seemingly progressed in terms of reducing levels of violent conflict. Recent trends show that the probability of dying as a result of political violence has declined markedly. Second, democratic governance has been associated with this reduction in conflict, especially between democracies. Third, open economies, trade, and interdependence have also contributed to this decline in violence. Fourth, international institutions can reduce conflict but the association is less convincing than democracy and interdependence. Moreover, these three pillars of the liberal peace are interwoven. Empirical research will continue to build upon and challenge the claims made more than 200 years ago by Paine, Kant, and other classical liberals. Liberalism remains a rich research programme and will continue to raise important questions for students of IR.

References