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THE NEW LIBERALISM OF INTERNATIONAL RELATIONS IN CONTEXT

AN ANALYSIS OF ANDREW MORAVCSIK'S 'TAKING PREFERENCES SERIOUSLY: A LIBERAL THEORY OF INTERNATIONAL POLITICS'

by

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Abstract

This paper summarizes the liberal theory of international politics offered by international relations theorist Andrew Moravcsik, and its development in relation to the insights of key liberal thinkers from the republican and commercial traditions. A discussion of the current status of a liberal paradigm of international politics is followed by a summary of the basic structure of Moravcsik's theory. Moravcsik's insights and their origins are then explored through the political philosophy of Immanuel Kant. Kant's impact on the development of the tradition of republican liberalism into a liberal theory of international relations is evaluated and its language is compared to that of Moravcsik. Similarly, the insights of commercial liberalism are considered through the lens of Adam Smith's economic philosophy and the subsequent contributions of Joseph Schumpeter. Common conclusions of republican and commercial liberalism are compared before turning back to Moravcsik's core argument for a structural and systemic liberalism. Ideational, commercial, and republican liberalism are then analyzed as the substance of Moravcsik's theory before considering the broader implications of a paradigmatic reframing of liberalism. This paper then concludes by explaining the relevance of Moravcsik's project to contemporary theories of international politics, its applicability, and its faithfulness to liberalism as a political philosophy. Not only does liberalism leave a coherent legacy on international affairs, its testable insights are faithfully codified in Moravcsik's positivist model of international politics.

Introduction: International Relations Theory and Liberalism

International relations are a complicated affair; any attempt to explain and predict probable outcomes of international interactions necessarily invokes a consideration of which actors and variables to prioritize. Moreover, disagreement persists among scholars as to the best way to categorize these attempts. What some may call a theory, others may call a collection of laws or a hypothesis. Nevertheless, the world of international relations (IR) theory is home to a few dominant paradigms that can be discerned by their philosophical components and historical persistence. In contemporary times, Realism and Liberalism are generally considered the most enduring and compelling. However, modern expressions (hereafter considered as theories) of these paradigms are far from equal. Theories developed from Realism are generally considered far more coherent and parsimonious than those developed from Liberalism. In other words, Liberalism is seen as unable to provide a simple model for complex events. Therefore, theoretical considerations that prioritize social science naturally view Realism as analytically prior to Liberalism.

Dissatisfied with this perceived inequality of paradigms as expressed in contemporary theory, liberal theorist Andrew Moravcsik believes that a "paradigmatic restatement" of liberal IR theory is both necessary and possible.[1] In contrast to most formulations of liberal theory, Moravcsik's project employs a scientific epistemology. This new 'positivist' liberalism aspires to compete with realism in its ability to succinctly explain and predict inter-state relations without reference to a (normative) guiding framework for action. By examining the basic components of Liberalism's intellectual history as a theory of international relations, this paper evaluates the relationship between Andrew Moravcsik's New Liberalism and two major variants of liberal philosophical thought.

[1] Andrew Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Relations," *International Organization* 51, 4 (Autumn 1997), p. 533.

The broad diversity of liberal philosophy and its relation to liberal international relations theory requires considerable conceptual navigation. Many reviews of liberal intellectual history have made reference to the reality that "there is no canonical description of liberalism."[2] Liberalism itself struggles to find purchase as a specific label, leading theorist Torbjorn Knutsen to subsume different liberal ideas under what he calls "The Transactional Paradigm."[3] This loss of paradigmatic status hints at the need to specify a few types of liberalism that remain central to building a modern paradigmatic framework. Robert Keohane identifies three main perspectives of liberalism, which he calls "republican, commercial, and regulatory liberalism."[4] Zacher and Matthew's historical analysis provides two basic variants of liberalism originating in the seventeenth and eighteenth centuries: laissez-faire liberalism and democratic liberalism, which in contemporary times have expanded to six strands: republican liberalism, interdependence liberalism (comprised of commercial liberalism and military liberalism), cognitive liberalism, sociological liberalism, and institutional liberalism.[5] Moravcsik is undoubtedly aware of these past attempts, and uses "ideational, commercial, and republican liberalism" as the major variants of Liberal theory that articulate its substantial insights.[6]

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[2] Michael W. Doyle, "Liberalism and World Politics," *The American Political Science Review* 80, 4 (December 1986), p. 1152.

[3] Torbjorn L. Knutsen, *A history of international relations theory* (New York: Manchester University Press, 1992), p. 235. Knutsen's three major paradigms are the Realist Paradigm, the Transactional Paradigm, and the Globalist Paradigm subsuming Realist theory, Liberal theory, and Marxist theory respectively.

[4] Robert O. Keohane, "International liberalism reconsidered," in John Dunn ed., *The economic limits to modern politics* (New York: Cambridge University Press, 1990), p. 175. "Although liberalism does not have a single theory of international relations, three more specific perspectives on international relations have nevertheless been put forward by writers who share liberalism's analytic emphasis on individual action and normative concern for liberty."

[5] Mark Zacher and Richard Matthew, "Liberal International Theory: Common Threads, Divergent Strands," in Charles Kegley Jr. ed., *Controversies in International Relations Theory: Realism and the Neoliberal Challenge* (New York: Saint Martin's Press, 1995), pp. 111, 121. This analysis begins with "two variants of liberalism which together significantly shaped its evolution" and goes on to analyze "six well-developed strands of liberal international theory" from the post war period.

[6] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Relations," p. 524. Moravcsik indirectly cites the previously referenced attempts. Moravcsik's describes his list as "three separate variants of liberal theory," with each relating in turn to "social demands, the causal mechanisms whereby they are transformed into state preferences, and the resulting patterns of national preferences in world politics."

This analysis further condenses these three variants into two primary international traditions: republican liberalism and commercial liberalism. Republican liberalism prioritizes the role of representation in government and its societal effects. It is the source of most liberal considerations of international politics and the point from which most modern analyses extend. Commercial liberalism provides a crucial corollary to republican liberalism by introducing trade, particularly free trade, as producing significant incentives on the manner in which a state engages in world politics. It focuses primarily on state-society relations. Republican and commercial liberalism together provide the basic framework for a liberal conception of political economy, loosely defined as "a set of questions to be examined by means of an eclectic mixture of analytic methods and theoretical perspectives."[7] In this way, republican and commercial liberalism describe the most central and dynamic components of a diverse liberal tradition that is still considered relevant to modern international politics. A paradigmatic liberalism must do justice to the distributional concerns of economics and the policy concerns of different groups in society.

Outline of the Paper

This paper considers Moravcsik's formulation of a singular liberal theory of international relations, as articulated in an article written in *International Organization* in 1997 titled, "Taking Preferences Seriously: A Liberal Theory of International Politics." To this effect, I provide a basic outline of the article's central assumptions of liberalism. I then turn to the origins of a liberal theory of international relations as found in the republican liberalism of 18th century German philosopher Immanuel Kant and primarily expressed in his 1795 essay, *Perpetual Peace*. Moravcsik's

[7] Robert Gilpin, *The Political Economy of International Relations* (Princeton: Princeton University Press, 1987), p. 9. Although my analysis departs from Moravcsik's (p. 524) structure of viewing ideational liberalism as "social demands," commercial liberalism as "the causal mechanisms whereby they are transformed into state preferences," and republican liberalism as "the resulting patterns of national preferences in world politics," my consolidation is due to a consideration of the two main forces of liberalism realized in international political economy. In addition, I treat republican liberalism as the origin of a liberal conception of international politics and thus ideational liberalism is subsumed under this label as I trace the intellectual roots of a liberal theory of international relations.

positivist framework and his description of republican liberalism are considered alongside Kant and the inheritors of his essential insight on world politics—that Kantian republics will not engage in war with one another. This insight is considered as practically codified by the notion that liberal democracies share in their societies a common mechanism of conflict resolution that makes them averse to war with one another—the "democratic peace." Liberalism after the Second World War (known as postwar liberalism) was essentially unable to adapt to the newly conceived positivist epistemology of international relations and thus much of its framework, beyond the basic insight that domestic politics influences international politics, was left undeveloped by international relations theorists. Empirical research on the "democratic peace" in the late 1970s did much to revive discussion among theorists of Liberalism's potential as a theory of international politics and can be seen as having led in part to Moravcsik's project to recover a liberal paradigm.

However, republican liberalism is not sufficient in and of itself to provide a coherent substance to Moravcsik's theory. In order to better trace the intellectual history Moravcsik draws upon, it is important to recognize the contributions of commercial liberalism. As this paper considers Kant to be representative of republican liberalism, so too does it consider 18th century philosopher and father of economics, Adam Smith, as representative of commercial liberalism. Selections from Smith's famous work, *An Inquiry into the Nature and Causes of the Wealth of Nations*, are summarized and compared to Moravcsik's rendering of commercial liberalism. In addition, 20th century economist and political scientist, Joseph Schumpeter, is briefly considered as an inheritor of Smith's contributions to commercial liberalism. Both Smith and Schumpeter embody critical insights about the relation of economics to politics, of civil society to the state. Their theorizing highlights the causal mechanisms for market openness and closure, for conflict over scarce resources (distributional conflict), and for international peace and war.

This paper concludes by returning to Moravcsik's core argument and the primary objections to a liberal theory of international politics. I summarize Moravcsik's definition of a structural model and his reasoning for liberalism's appropriateness as such. I then reexamine liberalism's key assumptions as outlined by Moravcsik and its substance found in the relationship between his theory and the intellectual history he invariably draws upon. I explain Moravcsik's definition of ideational, commercial, and republican liberalism as liberalism's three major variants while comparing these descriptions to the intellectual history found earlier in the paper. Lastly, I turn to an examination of the purpose of liberalism in international politics, its strength as a coherent model, its connection to contemporary research, its unique contributions as a theory, and its faithfulness to its tradition as it evolves from normative philosophy to positivist model.

Understanding Moravcsik

Lack of theoretical coherency is a significant barrier to any paradigmatic restatement. This problem looms large for Moravcsik, whose formulation of liberalism must inevitability subdivide liberalism and prioritize descriptive methods that can be adapted to his positivist model. One of his clearest texts on the matter, "Taking Preferences Seriously: A Liberal Theory of International Politics," is a staunch rejection of the long-standing admission of scholars that "liberalism is not committed to an ambitious and parsimonious structural theory."[8] This admission has, according to Moravcsik, fostered complacency among theorists who have consistently mistaken liberalism's potential to stand as a major alternative to other theories. Meanwhile, social scientists continue to conduct empirical research on particular topics without any guiding framework. The hypotheses developed by these particular research projects "play an increasingly central role in IR scholarship" yet "the conceptual language of IR theory has not caught up with contemporary research."[9] While

[8] Keohane, "International liberalism reconsidered," p. 172.
[9] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 514.

research projects that correlate with different aspects of the liberal international tradition are dominant in modern scholarly debates, liberalism itself continues to be maligned by theorists for its tendency towards philosophical idealism and utopianism. The problem is powerfully described by Moravcsik:

> Liberals have responded to such criticisms not by proposing a unified set of positive social scientific assumptions on which a nonideological and nonutopian liberal theory can be based, as has been done with considerable success for realism and institutionalism, but by conceding its theoretical incoherence and turning instead to intellectual history. It is widely accepted that any nontautological social scientific theory must be grounded in a set of positive assumption from which arguments, explanations, and predictions can be derived. Yet surveys of liberal IR theory either collect disparate views held by "classical" liberal publicists or define liberal theory teleologically, that is, according to its purported optimism concerning the potential for peace, cooperation, and international institutions in world history. Such studies offer an indispensable source of theoretical and normative inspiration. Judged by the more narrowly social scientific criteria adopted here, however, they do not justify reference to a distinct "liberal" IR theory.[10]

Liberalism has no shortage of moral imperatives, but to be considered as a viable theory of international politics, it must not allow these concerns to preclude it from theoretical consideration. A liberal theory of international politics will do justice to its rich tradition of intellectual history by honoring its key insights while creatively interpreting how these insights apply to modern research.

Moravcsik's bold project to unify liberalism into a non-normative social science theory rests on extrapolating from the liberal tradition assumptions that can be used to bridge a gap between the current research on international politics and the jargon of international relations theorists. For Moravcsik, the central insight of liberalism is that "state preferences," defined as the social pressures within a state influencing its governance, are the fundamental determinants of international politics. State preferences are viewed by Moravcik as liberalism's essential theoretical contribution to a positivist model of international relations. The language of state

[10] Ibid.

preferences attempts to do justice to essential liberal insights about state-society relations while also serving as a means to unify a broad set of preexisting research initiatives about the role of domestic institutions, economic interdependence, and intra-state distribution of resources in world politics. The primary challenge of formulating a new theory of liberal international relations is identifying and uniting essential elements of the liberal tradition into a single theory of international relations that can be synthesized with current hypotheses of contemporary research in social science.[11] The foundations of this new positivist, liberal theory come from Moravcsik's assertions about liberalism's impact on how the underlying nature of societal actors, the state, and the broader system of international politics are to be understood in relation to one another.

The primary actors in positivist liberal theory are not states, but rather the interests of social groups, domestic or transnational, as constituted by rationally acting individuals pursuing their own welfare.[12] Given the existence of scarcity, groups with varying interests compete over the resources that they perceive as fulfilling their welfare. The potential for conflict increases in a society with deep cultural divisions, a high degree of material scarcity, and asymmetry of political power. Conversely, the potential for conflict decreases in a society with basic social harmony, ample material resources, and the general representation of social groups in government. These three areas: "divergent fundamental beliefs, conflict over scarce material goods, and inequalities in political power" are the basis for conflict in Moravcsik's theory and they describe the emergence of both intra-state and inter-state violence.[13] Therefore, the initiative of social actors are the

[11] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 514. Examples of such research include the "democratic peace," "endogenous tariff theory," and studies of "the relationship between nationalism and conflict."
[12] In an effort to retain a parsimonious theory, social groups are considered the primary actors over individuals. These groups can include institutions and organizations seeking to maximize their benefit through the state.
[13] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 517. Moravcsik also frequently uses the phrase "distributional conflict" to refer to "conflict over scarce material goods."

building blocks of either cooperation or conflict. This cooperation and conflict can be expressed through international politics, although this is not necessarily always the case.

The inherently social nature of conflict and cooperation renders the state a representative institution. Its preferences are a manifestation of the interests of the social groups that comprise it. In essence, the state is not an actor in the same way social groups are actors; instead, it is a vehicle harnessed by social groups in an attempt to realize their interests. The interests of social groups are empowered by the state and it is the aggregate of these interests that determine state preferences. State preferences then determine how a state acts: "Liberal theory focuses on the consequences for state behavior of shifts in fundamental preferences, not shifts in the strategic circumstances under which states pursue them."[14] In capturing the state as a vehicle, various social groups produce different state preferences that determine how a state ought to act, which are analytically prior to its international environment. These preferences and their ordering is dependent on the actors in control of the state. Particularly in democratic states, actors have a variety of concerns that may result in state preferences that are constantly shifting. States "pursue particular interpretations and combinations of security, welfare, and sovereignty preferred by powerful domestic groups enfranchised by representative institutions and practices."[15] In other words, the social contexts of state control and policymaking are the true determinants of state action as conceptualized in a liberal theory of international relations. As a social theory, liberalism explains the origin of state action without reference to other states.

In order to engage in international interactions of cooperation, bargaining, or coercion, the social groups empowered by the state must have some underlying interest at stake. Given the reality of the international system, "each state seeks to realize its distinctive preference under

[14] Ibid, p. 519. This remark is made in direct contrast to the Realist paradigm and its use of the term "preferences."
[15] Ibid, pp. 519-520.

varying constraints imposed by the preferences of other states."[16] The preferences of other states and the constraints those preferences impose form patterns that become sources of interdependence in the international system. These patterns can also lead to conflict, but do so independently of the capabilities and knowledge of the states involved. Moravcsik explains the relation between state preferences and the international systems by referring to the concept of policy interdependence: "the set of costs and benefits created for foreign societies when dominant social groups in a society seek to realize their preferences, that is, the pattern of transnational externalities resulting from attempts to pursue national distinctive purposes."[17] Positive or negative externalities produced by foreign states affect the lengths to which any state will go to pursue its preferences by altering the amount of cost and risk they will assume to realize each preference. These interactions of bargaining, in which externalities are carefully considered, do not affect the order of state preferences. Rather, they affect a willingness to accept the international costs of pursuing each of these preferences. A highly prioritized preference may be suppressed by a significant threat of deterrence. Conversely, a preference of low priority may be pursued if there are no conflicting preferences from foreign states or if these conflicting preferences are significantly deterred.

The Kantian Tradition and State Preferences

As can be seen above, Moravcsik's theory of international politics depends heavily on the language of state preferences. In other words, the primary interests of the social groups represented in the state determines how the state interacts at a systemic level. This type of analysis and its consequences was relatively hostile to liberal influence until the late 18th century.[18] The emphasis

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[16] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 520.
[17] Ibid.
[18] Mark Zacher and Richard Matthew, "Liberal International Theory: Common Threads, Divergent Strands," p. 112. In their review, Zacher and Matthew identify the two most influential variants of early political liberalism as laissez-faire and democratic, belonging to John Locke and Jean-Jacques Rousseau respectively: "On the matter of international politics, the views of Locke and Rousseau dovetailed, recognizing that liberal values had very limited roles and that self-interest and power would reign." Later liberal thinkers tended to be more optimistic.

on systemic interaction, however, became a staple of postwar international relations theory.[19] It is logical, then, that postwar liberalism derives much of its theoretical prowess from Immanuel Kant, an 18th century philosopher writing at the dawn of republican (democratic) governance who conceived of representativeness as a means to peaceable relations among states. In the absence of a unified theory, Kant's philosophy and the contention that his predictions about the international order of states are somehow being realized in the interactions of contemporary democracies has become a theoretical anchor for scholars of liberalism, leading Antonio Franceschet to point out in 2001 that "a nearly unanimous item of agreement in recent years among liberal-minded scholars has been the importance of Immanuel Kant as a foundational source of theory."[20] Kant's republican liberalism is seen as a philosophical foundation for most theories of liberal international relations because its proponents consider the crucial implications of a representative society on state preferences.

Republican liberalism has generated both the idea and practice of a separate zone of peace established among states with liberal institutions. This 'democratic peace' is the centerpiece of republican liberalism and has somewhat famously been called "as close as anything we have to an empirical law in international relations."[21] Kant's prediction of the democratic peace is clearly set forth in his essay, *Perpetual Peace*, published in 1795, when the world had only the fledgling United States and France both six years respectively removed from the ratification of a constitution and the beginning of a revolution. The basis for Kant's visionary study of the effects of liberal

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[19] Much of this postwar emphasis on systemic interaction has its basis in the influential analysis of Kenneth Waltz, *Man, the State and War* (New York: Columbia University Press, 1959). "The coherence, the clarity, the seeming escape from political polemics into structural analysis: These are traits of the Waltzian argument that are the more obvious sources of its influence on the field" Michael W. Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism* (New York: W. W. Norton & Company, Inc., 1997), p. 29. When Moravcsik (p. 514) speaks of "a unified set of positive social scientific assumptions" he undoubtedly has Waltz in mind.
[20] Antonio Franceschet, "Sovereignty and Freedom: Immanuel Kant's Liberal Internationalist 'Legacy'," *Review of International Studies* 27, 2 (April 2001), p. 210.
[21] Jack S. Levy, "Domestic Politics and War," *The Journal of Interdisciplinary History* 18, 4 (Spring 1998), p. 662.

internationalism was given its impetus by showing the possibility of true peace to moral statesmen, thus giving them a moral imperative to pursue it. This normative framework may figure strongly in Kant's broader philosophy, but it by no means precludes the emergence of positivist conclusions. Kant reframes the question of threats through the state's interest in perpetuating its (liberal) institutions. Whether or not this framing can accurately affirm Moravcsik's conclusion that the basic insight of republican liberalism is that "fair representation tends to inhibit international conflict" is the subject of this section.[22]

Kant's explication of the emergence of true peace begins with six preliminary articles; these statements build the preconditions for his three definitive articles upon which perpetual peace is to be founded. The first of the preliminary articles invalidates peace if one of the parties to the peace has committed to war in the future. Underneath this statement is a distinction between a temporary ceasing of hostilities and peace. For Kant and for many other international relations theorists (although more non-liberals than liberals), international politics takes place in a natural state of war or anarchy: "A state of war, [Kant] teaches, does not necessarily imply warfare, actual hostilities. The nations are in a state of war so long as their relations are not regulated by law, obligating each to peace through the will of all."[23] True peace is the elimination of this state of anarchy so that peace is the default setting of international politics rather than, as it currently stands according to Kant, war. The first preliminary article seeks an immediate abolition of secret plans for war so that the state of peace may be given a chance to form. The second, third, and fourth articles call for the gradual abolition, but occasional tolerance of state annexation, standing armies, and national debt. These measures serve to reduce state dependency or the threat of state dependency, instead giving each state the opportunity to pursue interdependent relationships. The

[22] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 531.
[23] A. C. Armstrong, "Kant's Philosophy of Peace and War," *The Journal of Philosophy* 28, 8 (April 1931), p. 200.

last two preliminary articles call for the immediate end of forcible interference of one state in the constitution of another and war crimes, which Kant defines as the use of assassins, poisons, and the general promotion of subversive activity. In these articles, Kant hopes to establish general guidelines that limit the present state of warfare and "build the mutual confidence and respect that establishing a true peace will require."[24] The incentive to war is strong because it is the most expedient way of establishing rights in the state of nature, the state of international anarchy. The preliminary articles direct Kant to the three definitive articles, wherein the genesis of the democratic peace is most evident.

The first definitive article of Kant's *Perpetual Peace* is a stipulation that all participants in the peace possess a civil constitution that is inherently republican. Kant treats the republican enshrinement of the rights of man as synonymous with representative government because this mode of government, in contrast to despotism, is built on a social contract between the people and a ruler: "Any true republic, however, is and cannot be anything other than a *representative system* of the people whereby the people's rights are looked after on their behalf by deputies who represent the united will of the citizens."[25] These deputies form the crucial juncture of republican government in which the rights of its citizens are practically enshrined. In other words, the principles of a republic accord to representativeness while preventing the despotic tyranny of the majority that comes from the truly democratic form of government in which all citizens form both an executive and legislative body and "will not have the moderation of representatives [found] in a republic."[26] Thus in its original formulation, the democratic peace is really the republican peace,

[24] Michael W. Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism* (New York: W. W. Norton & Company, Inc., 1997).
[25] Immanuel Kant, "The Metaphysics of Morals," in H.B. Nisbet trans., *Kant's Political Writings* (London: Cambridge University Press, [1797] 1970), p. 163.
[26] Patrick Riley, *Kant's Political Philosophy* (Totowa: Rowman & Allanheld, 1983).

the former having come into popular usage with the 20th century conception of democracy that already has in mind a federal system wherein the executive, legislative, and judicial bodies are separated from each other to some degree.

Kant views the republican constitution as the incarnation of the social contract by the power it grants to rulers who are ultimately accountable to the people. It is the guarantee that all voices, majority and minority, will be heard in the polity. In Kant's view, this will make war less frequent because the will of the people, properly represented, will not call down upon themselves the hardships of war without some cause of the most grievous sort. This is perhaps the most basic assumption underlying much of the thinking about the democratic peace. Although empirical studies have severely tarnished the idea that democracies are less likely to engage in war, these studies maintain that there is an aberration in this pattern when examining the relations of democracies to each other.[27] This relation of republican states to one another is the focus of Kant's second article.

The second definitive article of *Perpetual Peace* constitutes the philosophical heart of the modern democratic peace thesis by introducing the concept of a gradual development of a liberal zone of peace. This 'pacific federation,' as Kant calls it, is a peculiar arrangements of states that approximate to Kant's ideal republic, banding together for the sake of securing their borders and peoples. Kant treats this type of formation in the same way as men forming a social contract to secure their rights in a state of nature. However, for Kant, the pacific federation does not result in a world state: "For as states, they already have a lawful internal constitution and have thus

[27] The most impactful study combining both empirical and philosophical methods comes from Michael W. Doyle, "Kant, Liberal Legacies, and Foreign Affairs, Part 2," *Philosophy & Public Affairs* 12, 4 (Autumn 1983). Whereas Part 1 of these two journal articles points to the development of a democratic peace, Doyle (p. 323) is clear in Part 2 that a liberal foreign policy often leads to conflict with non-liberal states: "Even though liberalism has achieved striking success in creating a zone of peace and, with leadership, a zone of cooperation among states similarly liberal in character, liberalism has been equally striking as a failure in guiding foreign policy outside the liberal world."

outgrown the coercive right of others to subject them to a wider legal constitution in accordance with their conception of right."[28] The purpose of the pacific federation is to encourage the gradual expansion of true peace, not to acquire any power itself, but rather to support the freedom of each republican constitution. Kant describes this idea as "federalism," founded on an international understanding of right. The Kantian republican, with its focus on rights, is inherently outward looking and can be catalyzed towards the federalism of the pacific federation by a strong republican state.

> It can be shown that this idea of *federalism*, extending gradually to encompass all states and thus leading to perpetual peace, is practicable and has objective reality. For if by good fortune one powerful and enlightened nation can form a republic (which is by its nature inclined to seek perpetual peace), this will provide a focal point for federal association among other states. These will join up with the first one, thus securing the freedom of each state in accordance with the idea of international right, and the whole will gradually spread further and further by a series of alliances of this kind.[29]

In this insight, Kant offers another visionary assumption of how the international system will become favorable to the democratic peace—via a liberal hegemon. Indeed with the rise of American hegemony in the 20th century, Kant's political philosophy increased in both theoretical and practical relevance. The pacific federation sets forth the basis of a new understanding of international relations, one that is fundamentally altered by the internal constitution of the state.

Kant's third definitive article calls for a cosmopolitan right so that a foreigner may be treated with hospitality befitting the concept of international right. This article supports the pacific federation by ensuring the protection of basic cosmopolitan rights. Ideally, the second article would call for the establishment of a world republic. To Kant, however, this is too utopian of a notion for him to allow and the pacific federation thus becomes his fallback.

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[28] Immanuel Kant, "Perpetual Peace: A Philosophical Sketch," in H.B. Nisbet trans., *Kant's Political Writings* (London: Cambridge University Press, [1795] 1970), p. 104.
[29] Ibid.

> If all is not to be lost, this can at best find a negative substitute in the shape of an enduring and gradually expanding *federation* likely to prevent war. The latter may check the current of man's inclination to defy the law and antagonize his fellows, although there will always be a risk of it bursting forth anew.[30]

The constant risk of war is the reason why republican governments must be proactive about promoting a cosmopolitan right, one that will serve to steadily unify humankind. Just as the pacific federation is considered in light of the inherent tendency of man to war, so too does the cosmopolitan law "not extend beyond those conditions which make it possible for [strangers] to *attempt* to enter into relations with the native inhabitants."[31] According to liberal international relations theorist Michael W. Doyle what Kant has in mind here are specifically commercial relations.[32] The cosmopolitan right enshrines the idea of voluntary exchanges, both of goods and ideas. The central theme for Kant is that through a steady process of friendly interaction with the rest of the world, republican governments can help bring "the human race nearer and nearer to a cosmopolitan constitution."[33] Although these ideas belong more to Moravcsik's typology of commercial liberalism, they also have an important role in supporting the spread of distinctly republican ideas. Just as Moravcsik identifies republican liberalism as the way in which ideational and commercial impulses are manifested through representation, so too must Kant address the buttresses of republicanism in describing its pacifying effects.

> The peoples of the earth have thus entered in varying degrees into a universal community, and it has developed to the point where a violation of rights in *one* part of the world is felt *everywhere*. The idea of cosmopolitan right is therefore not fantastic and overstrained; it is a necessary complement to the unwritten code of political and international right, transforming it into a universal right of humanity.[34]

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[30] Kant, "Perpetual Peace: A Philosophical Sketch," p. 105.
[31] Ibid, p. 106.
[32] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 258. "Hospitality does appear to include the right of access and the obligation of maintaining the opportunity for citizens to exchange goods and ideas, without imposing the obligation to trade (a voluntary act in all cases under Liberal constitutions)."
[33] Kant, "Perpetual Peace: A Philosophical Sketch," p. 106.
[34] Kant, "Perpetual Peace: A Philosophical Sketch," pp. 107-108.

This declaration expresses Kant's incredible foresight and has clear contemporary implications that scarcely go unrealized in the most recent iteration of globalization. Indeed, the vision behind *Perpetual Peace* has profound theoretical implications that are central to the legacy of modern international relations, both in theory and in practice.

The Infancy of Liberalism as a Theory of International Relations

By approaching his discussion of republicanism from a normative philosophical framework, Kant has essentially been responsible for the normative quality of all subsequent theorizing found under the hodgepodge banner of liberal international relations. Writing in 1931, A. C. Armstrong referred to how "[Kant's *Perpetual Peace*] has been often cited, or combatted, in connection with recent movements for the control or the abolition of war."[35] These early debates, which Armstrong identifies as beginning "with the disarmament proposals of the Czar of Russia in 1899 and the Peace Conferences at the Hague" were not characterized by testable hypotheses, but rather if Kant's teleological view of history was philosophically correct and worth embracing with international policies.[36] These discussions were in no small part encouraged by the international environment at the time. Great Britain, the world's largest empire at the dawn of the 20th century had in 1832 passed a Reform Act that "defined actual representation as the formal source of the sovereignty of the British Parliament."[37] Even if the reality of the government could only partially live up to the high-minded ideals of the Kantian republic, Great Britain became an important focal point among liberal democracies in promoting this conception of sovereignty. Kant was reasonable enough to foresee that his vision of world peace would be severely hampered by the unrelenting nature of man, but defended his articulation of the possibility of peace so that, "if

[35] Armstrong, "Kant's Philosophy of Peace and War," p. 198.
[36] Ibid.
[37] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 259.

it should prove that such a federal organization can not be fully realized, it would still remain the normative basis for international law and the promotion of peace."[38] Therefore, more than any socially scientific extrapolations that could be drawn from Kant's theorizing, it was the philosophy of rights-based government providing a moral imperative to lead the international system towards peace that was its most inspiring insight. Liberal international relations naturally developed along this path, justifying the seeming oddity of peace amongst liberal states by pointing to the system's philosophical origins in Kant's philosophy of right.

Kant's ideas quickly became subsumed under the project of liberal internationalism in the early 20th century. As America gradually and peacefully replaced Britain as the locus of liberal hegemony in world politics, American President Woodrow Wilson contributed heavily to the application of liberal ideas in America's foreign policy: "Wilson's approach to world affairs was very much informed by the eighteenth-century confidence in reason, equality, liberty and property."[39] Wilson is identified by Moravcsik as a proponent of ideational liberalism, which "views the configuration of domestic societal identities and values as a basic determinant of state preferences and, therefore, of inter-state conflict and cooperation."[40] While this is broadly true of the perspective elaborated by Wilson, it began as a powerful moral claim rooted in Kant's rights-based republic and his perspective that Nature would slowly drive states towards peace. Wilson's vision of ideational liberalism was undoubtedly heavily influenced by the republican liberalism that went before it. Unlike Kant, Wilson was a statesman, the leader of one of the world's most prominent emerging powers. The brand of international relations that he formally introduced into academia was therefore a normative and philosophical one, taken from the perspective of foreign

[38] Armstrong, "Kant's Philosophy of Peace and War," pp. 202-203.
[39] Knutsen, *A history of international relations theory*, p. 191.
[40] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 525.

policy. Wilsonian liberalism, like the liberalism of Kant, was equal parts moral imperative and speculation on what variables mattered most in world politics.

Wilson's understanding of Kant's republican liberalism and the manner in which it ought to be applied profoundly shaped interpretations of Kant's contribution to international politics. Rather than focus on empirical evidence for the Kantian zone of peace, early 20th century theorists tended to describe Kant by his ideas of a purposive force in history and the moral imperative to let such a force work.

> In this way, nature guarantees perpetual peace by the actual mechanism of human inclinations. And while the likelihood of its being attained is not sufficient to enable us to *prophesy* the future theoretically, it is enough for practical purposes. It makes it our duty to work our way towards this goal, which is more than an empty chimera.[41]

It was the moral force of Kant's argument and its appeal to teleological, historical progression rather than its testable insights that breathed life into American foreign policy and Wilsonian politics. Concurrently, the first academic courses on international relations that emerged in the wake of the First World War "did not rely as much on social science methodology as on historical investigations and on jurisprudence."[42] International relations during the interwar period were a new field of study and had yet to develop into a discipline of social science. Philosophical notions of a liberal dialectic and teleology permeated ideas of how the international system functioned in liberal theory: "President Wilson became the world's most influential statesmen in the aftermath of the First World War. His arguments dominated the new utopian discipline of International Relations."[43] While the Second World War and the subsequent emergence of the Cold War did much damage to international relations as a utopian discipline, the compelling nature of Kant's argument lived on. This time, however, it was more specifically the insight that there was some

[41] Kant, "Perpetual Peace: A Philosophical Sketch," p. 114.
[42] Knutsen, *A history of international relations theory*, p. 195.
[43] Knutsen, *A history of international relations theory*, pp. 196-197.

feature of Kant's republican governance that drove nations towards peace rather than war—and that this was somehow being lived out in the interaction of modern democratic states.

Postwar International Relations Theory

The Cold War period prompted a shift in thinking about international relations that broadly moved away from liberalism, although the legacy of Wilsonian foreign policy never quite disappeared. Writing in 1962, Kenneth Waltz, who would come in large part to dominate modern (positivist) thinking about international relations, described the pervasiveness of Kant's ideas in America and pointed out that they had "even infiltrated the State Department."[44] Waltz, for all his non-liberal theorizing, admittedly owes a heavy debt to Kant for his philosophical contributions to Waltz's theory of international politics.[45] Although Waltz's particular interpretation of Kant remains a minority opinion among scholars, the idea that Kant's insights could be interpreted in even non-liberal ways likely contributed to a more focused study of his work without the inevitable importation of his moral call to action. In his review of the broader literature on the relation of domestic society to war, Jack Levy identifies several studies in the 1950s and early 1960s that analyzed "foreign conflict behavior" through the lens of "national attributes" and found "essentially no relationship" between the two.[46] The approach of these scholars was focused on differences between states rather than similarities. This mode of analysis had sprung not from Kant, but from social science.

The insight that domestic politics has an influence on war-proneness is basic, but often overlooked in broader theory because of its introduction of an overwhelming degree of complexity.

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[44] Kenneth N. Waltz, "Kant, Liberalism, and War," *The American Political Science Review* 56, 2 (June 1962), p. 331. This article takes a highly unusual interpretation of Kant: "While Kant may be seen as a backsliding liberal, he may also be considered a theorist of power politics who hid his Machiavellian ideas by hanging 'round them the fashionable garments of liberalism."

[45] See Waltz, "Kant, Liberalism, and War," and Waltz, *Theory of International Politics*, (New York: McGraw-Hill, 1979). See the previous footnote for Waltz's interpretation of Kant.

[46] Levy, "Domestic Politics and War," p. 657.

Levy describes the attempt to empirically measure a "common intellectual and moral framework [as] a precondition for stability and peace," with "many of the results [being] contradictory."[47] He continues by stating that "the bulk of the evidence points to positive but weak relationships between societal differences and the incidence of war."[48] These early studies of national character on the statistical incidence of war among states set the stage for a scientific framing of Kantian propositions. Levy concludes his study of the literature of this period by pointing to the unsatisfactory or incomplete nature of these early attempts to understand the impact of domestic politics on war.

> The implications of these findings are unclear, however, for the absence of a well-defined theoretical framework guiding these studies precludes a meaningful interpretation of the observed empirical associations. There needs to be greater specification of the types of states and conditions under which these empirical relationships are valid. There also needs to be far more theoretical attention to the causal mechanisms by which these factors are translated into decisions for war.[49]

For those familiar with the Kantian proposition, it became a type of theoretical framework needed to continue the study. At the time of Levy's writing, Moravcsik's ambitious project of a new liberalism was nine years away. For those writing in the interim amidst an increasingly disparate theory of liberal international relations, Kant became the much-needed impetus for a study of the effect of regime type on war, namely, that democratic nations would be less likely to engage in war with one another.

The consequences of governments seemingly conforming to Kant's predictions of war-avoidance became the focus of formal empirical study beginning in the 1970s. This proposition would first be taken up from the tradition of social science that emerged in the previous decades and only later would it be matched with Kant's philosophy as an overarching framework. James

[47] Ibid, pp. 657-658.
[48] Ibid, p. 658.
[49] Ibid.

Lee Ray identifies Dean Babst as "the little-known forerunner of current analysis," whose research on the democratic peace escaped the attention of most international relations theorists at the time.[50] Babst's 1972 analysis was published in *Industrial Research*, and according to Ray, would remain largely unknown if his claims were not "cited by Small & Singer (1976), who attempted to discredit Babst's assertion that democratic states are peaceful in their relationships with one another."[51] This study is also recognized by Levy as being crucial to a renewed interest in the idea that democracies do not fight with one another: "Most analyses have confirmed the findings of a 1976 study by Small and Singer that there have been no significant differences between democratic or non-democratic states in terms of the proportional frequency of their war involvement or the severity of their wars."[52] It is undoubtedly important to note that Ray and Levy are looking at different aspects of the Small & Singer study. According to Ray, this study not only played an important role by preserving Babst's work for future debate, but also for "[distinguishing] the national-level relationship between regime type and international war proneness from the dyadic-level relationship between regime type and conflict."[53] Contrary to Kant's original claim that republican governments were less likely to go to war overall, the revived hypothesis of the democratic peace was that this national-level relationship did not hold; rather, the democratic peace referred to how governments with the characteristics of Kant's republic did not engage in war with each other. Thus it was a specific application of the principles of the Kantian republic ("a

[50] James Lee Ray, "Democracy and Peace: Then and Now," *The International History Review* 23, 4 (December 2001), p. 785.
[51] James Lee Ray, "Does Democracy Cause Peace?" *Annual Review of Political Science* 1 (1998), p. 29. As the basis for current analysis of the democratic peace, Ray cites Dean V. Babst, "A Force for Peace," *Industrial Research* 14 (April 1972). He also recognizes the important qualifications and contributions of Melvin Small and J. David Singer, "The War-Proneness of Democratic Regimes, 1816-1965" *Jerusalem Journal of International Relations* 50, 4 (Summer 1976).
[52] Levy, "Domestic Politics and War," p. 661. This considers the national-level relationship, which Small and Singer disprove. An explanation for this is provided in Doyle, "Kant, Liberal Legacies, and Foreign Affairs, Part 2."
[53] Ray, "Does Democracy Cause Peace?" p. 30.

constitutional, representative government and separation of powers" according to Levy) from Kant's first definitive article and the expanding zone of peace among these republics from Kant's second definitive article that truly became both the philosophical heart of the democratic peace and the variant of liberal theory Moravcsik identifies as republican.[54]

Liberalism and the Democratic Peace

Research on the democratic peace continued into the early 1980s and was soon connected to the Kantian proposition of a pacific federation. Other than Small & Singer, Ray points to RJ Rummel as another critical contribution to interest in the democratic peace who, "in the fourth book of his five-volume *Understanding Conflict and War* (1975-1981)…[develops] the theoretical bases for 54 propositions, 33 of which focus specifically on the causes and conditions of conflict."[55] One of these propositions cites Babst's work on the democratic peace and makes the claim later expounded upon by Rummel that "the more freedom that individuals have in a state, the less the state engages in foreign violence."[56] Rummel's affirmation of this crucial contention was the first of its kind for this time period in mainstream political science. Writing shortly after, Michael W. Doyle fully developed the democratic peace as a theoretical notion by linking it to liberalism as "a distinct ideology and set of institutions that has shaped the perceptions of and capacities for foreign relations of political societies that range from social welfare or social democratic to laissez faire."[57] Although liberalism here is still treated as an ideology, it also now begins to serve as a framing device for understanding the democratic peace phenomenon. Doyle

[54] Levy, "Domestic Politics and War," p. 658.
[55] Ray, "Does Democracy Cause Peace?" p. 29. See RJ Rummel, *Understanding Conflict and War*, 5 Volumes, (New York: Sage, 1975-1981).
[56] R. J. Rummel, "Libertarianism and International Violence," *The Journal of Conflict Resolution* 27, 1 (March 1983), p. 27.
[57] Michael W. Doyle, "Kant, Liberal Legacies, and Foreign Affairs," *Philosophy & Public Affairs* 12, 3 (Summer 1983), p. 206.

identifies the democratic peace as an aberration in international politics and refers back to Kant's original ideas found in *Perpetual Peace* as "a source of insight, policy, and hope."[58] Pioneering his own historical study of the liberal zone of peace, Doyle identifies a slow process not without backsliding, by which states have become progressively more liberal (approximating to the ideals of the Kantian republic) and concurrently progressively unwilling to fight wars with each other. Not unawares of the challenges of a modern democracy, Doyle also describes enduring "significant practical problems" such as "enhancing citizen participation in large democracies."[59] Democratic governance as the most appealing form of governance because of participation. Liberal democracy is an attempt at reaching an ideal, one in which social preferences are the least biased towards any single interest. Although Doyle's initial analysis melds philosophy and research on war-proneness, Moravcsik's social science theory is not too far off, waiting to be realized.

Democratic peace theory began to reach its peak visibility as the strongest empirical argument made by liberal international relations theory in the latter half of the 1980s. Doyle's narrative of the realization of Kant's pacific federation became the dominant narrative of liberalism as a theory of international relations: "At first hesitant and confused, and later clear and confident as liberal regimes gained deeper domestic foundations and longer international experience, a pacific union of these liberal states became established."[60] While Doyle provided the empirical corollary to this narrative in his study of liberal regimes, he also introduced a stipulation, supported by the Kantian implication that regimes not founded upon a republican constitution do not "[derive] from an original contract, upon which all rightful legislation of a people must be founded;" Kant holds that "republicanism is in itself the original basis of every kind of civil constitution which can

[58] Ibid.
[59] Ibid, p. 209.
[60] Doyle, "Kant, Liberal Legacies, and Foreign Affairs," p. 217.

lead to perpetual peace" and therefore, a certain fundamental dissonance of regime type lies between the democratic and the non-democratic.[61] This is what Doyle refers to in his further development of the democratic peace: "*The very constitutional restraint, shared commercial interests, and international respect for individual rights that promote peace among liberal societies can exacerbate conflicts in relations between liberal and non-liberal societies*."[62] It was not that liberal regimes were inherently more peaceful than non-liberal regimes, but rather that they were peaceful among themselves. This theoretical notion explained why Small & Singer's study had revealed a lack of significant variance between the war-proneness of democratic and non-democratic states. Doyle's articles are seen by Ray as "[having] an important long-range effect…ultimately published in a more visible outlet (i.e. Doyle 1986), gaining the attention of the many potentially interested analysts not familiar with the work of Rummel, Babst, or Singer & Small."[63] The strength of Doyle's project and enthusiasm for continued research into the effects of domestic politics and the democratic polity on war bolstered the liberal research program. Liberalism, under the Kantian framework and with the initiative of social science, had returned to prominence in a new era.

Republican and Commercial Liberalism in Contemporary World Politics

What Moravcsik classifies as republican liberalism does indeed reflect the implications of Kant's philosophy of perpetual peace. However, it also, as Moravcsik implies, has broader roots in the origins of liberal international relations theory. It subsumes both ideational and commercial liberal theory into broader consideration of how commercial and social identities are represented. For largely philosophical and practical reasons, these ideas existed primarily in the normative form

[61] Kant, "Perpetual Peace: A Philosophical Sketch," pp. 99-100.
[62] Doyle, "Kant, Liberal Legacies, and Foreign Affairs, Part 2," pp. 324-325.
[63] Ray, "Does Democracy Cause Peace?" p. 30. The "more visible outlet" referenced by Ray is Doyle, "Liberalism and World Politics," *The American Political Science Review* 80, 4 (December 1986).

given by Kant, guiding the rise to prominence of liberal Great Britain and liberal America. By the time of the Cold War, the Wilsonian (ideational) adaptation of liberalism had seeped into American foreign policy, gradually producing enough influence to renew consideration of Kant's republicanism. Rather than being directly inspired by Kant, this study was developed in order to fill gaps in existing theory. Often neglected considerations of domestic politics and its effect on international affairs led social scientists to consider whether regime type or other social factors influenced a state's foreign policy so as to produce a unique mode of international politics that could not be adequately predicted by existing theories. By the 1980s, Kant's ideas had been reintroduced to the study of international relations in this context. As compelling support for a unique peace among liberal regimes emerged, more studies grounded in social science began to be conducted of the democratic peace. Liberal international relations subsequently became an odd combination of normative theoretical framework and positivist research programs.

Although liberalism has lacked an overarching framework like the one provided by Moravcsik, it has nevertheless survived and left a palpable impact on both foreign policy and the current status of theories of international politics. This impact, however, has been disparate at best and utopian at worst. In fact, Moravcsik identifies Robert Keohane and Michael W. Doyle as contributing to the confusion through their ideological linkage of "institutionalist and preference-based strains."[64] This mixture, Moravcsik implies, has weakened the prospects for a distinct liberal

[64] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 536. "Nearly all treatments of IR theory combine institutionalist and preference-based strains in this way." The distinction between institutional influences and social preferences is particularly important to Moravcsik who points out that Keohane's "functional regime theory" has often been referred to as "neoliberal institutionalism" despite Keohane having eventually abandoning the term. In basic reviews of the literature, Keohane is often treated as a liberal theorist: see Jeffry A. Frieden, David A. Lake, and Kenneth A. Schultz, *World Politics: Interests, Interactions, Institutions* (New York: W. W. Norton & Company, Inc., 2010). Despite these differing interpretations, Keohane's contributions to Moravcsik's liberalism are clear in the form of his seminal contribution to international relations theory found in Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Politics in Transition* (New York: Longman, 1977). Beyond this broad theoretical linkage, Moravcsik (p. 536) rejects any relation between his theory and functional regime theory: "neoliberal institutionalist theory has relatively little in common with liberal theory as

IR theory: "Those who choose to define liberal theory in terms of its intellectual history naturally conflate the belief in institutions with a concern about the societal sources of state preferences."[65] Liberalism's eclectic mix of theory and philosophy have therefore made it difficult to determine what a liberal theory of international politics should look like. The problem does not lie with the extrapolation of positivist insights from normative philosophy, for this is a necessary part of moving from identification of a problem to methodological rigor.[66] Rather, focus on liberal intellectual history has conflated different aspects of liberal philosophy and different positivist research programs thereof. Lacking specification of central ideas, liberalism can spawn numerous liberal 'theories.'[67] Hence, Keohane's claim that "Liberalism does not purport to provide a complete account of international relations. On the contrary, most contemporary liberals seem to accept large portions of both Marxist and realist explanations."[68] Moravcsik's New Liberalism operates in direct contrast to these assumptions by imposing on liberalism a particularized method of social science that prioritizes the insights of certain liberal theorists over others, namely, that state preferences are the fundamental variable in international politics. Thus, Moravcsik's liberalism is the outcome of key insights introduced by liberal philosophers, while at the same time

elaborated here, because most of the analytic assumptions and basic causal variables employed by institutionalist theory are more realist than liberal." In short, Moravcsik does not believe that neoliberal institutionalism does justice to liberalism as a distinct paradigm of international politics. It is preferences, not institutions, which Moravcsik finds to be the basis for a coherent and distinct liberal IR theory.

[65] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 536.

[66] Gunther Hellmann, Freidrich Kratochwil, Yosef Lapid, Andrew Moravcsik, Iver B. Neumann, Steve Smith, Frank Harvey, and Joel Cobb, "Are Dialogue and Synthesis Possible in International Relations?" *International Studies Review* 5, 1 (March 2003). Moravcsik's (p. 133) contribution to this forum is highly revealing when considering the philosophy behind his approach: "Theory and method are…means not ends; they exist to promote our understanding of empirical causes by encouraging theoretical breadth, logical coherence, and empirical objectivity."

[67] In a footnote found in Keohane, "International liberalism reconsidered," p. 174, Keohane credits Moravcsik in the clarification that "it is more useful to consider liberalism as an approach to the analysis of social reality" in the context of Keohane's discussion.

[68] Keohane, "International liberalism reconsidered," p. 175.

discarding those aspects that have not been shown to be empirically valid. Therefore, Kant's philosophy is useful to this theory insofar as it describes empirically testable reality.[69]

Yet Moravcsik's liberalism is not without other philosophical resources. Commercial liberalism has not only informed a liberal conception of political economy, but also given social science the language of economics to describe causal variables. In fact, commercial liberalism in some analyses of the liberal tradition is given higher theoretical purchase than republican liberalism. Torbjorn Knutsen in *A history of international relations theory* indicates that, "at its core, liberalism is an economic theory."[70] Indeed, while Kant may have been the first to focus on the structural interactions of liberal states in international politics, the central notion of liberal interdependence comes more from economics than politics. Adam Smith, widely considered to be the father of modern economics, first introduced these ideas in *An Inquiry into the Nature and Causes of the Wealth of Nations*. Written in 1776, *Wealth of Nations* offer a profound glimpse into the inner workings of a free economy as compared with the primarily mercantilist economies of the time and lays groundwork that serves as a critical intellectual corollary to Kant's theorizing when considered under the broader scope of liberal philosophy and its impact on contemporary theory. In short, free market economics is often the vanguard of representative politics. Smith illustrates that "[every individual]…intends only his security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention."[71] This concept, famously referred to as "the invisible hand," expresses how self-interest

[69] "International relations scholarship ought to be problem as well as theory-driven." Moravcsik, "Are Dialogue and Synthesis Possible in International Relations?" p. 132.
[70] Knutsen, *A history of international relations theory*, p. 240.
[71] Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Edwin Cannan ed. (New York: Random House, [1776] 1937), p. 423.

unintentionally operates for the net welfare of society in a free economy. Such a notion is also imbued in Kant, albeit from a political perspective. Kenneth Waltz described Kant's theory of historical progression by highlighting that, "Smith's invisible hand is at work in the realm of politics."[72] The invisible hand along with concepts of interdependence and resource conflict make commercial liberalism an invaluable contributor to Moravcsik's theory; commercial liberalism serves both as a foundation and extension of the republican liberalism outlined earlier.[73]

Market Structure and Distributional Conflict in Commercial Liberalism

The commercial variant of liberal theory is founded on an understanding of international politics that privileges economics. Moravcsik explicitly mentions Adam Smith as contributing to his positivist model by examining how "domestic and international distributional conflicts" prevent "aggregate welfare gains from trade resulting from specialization and functional differentiation."[74] In other words, bargaining rather than cooperating through trade with scarce resources results in inefficient outcomes. In some cases, states have incentives to pursue bargaining rather than cooperation as a way of obtaining resources because of the way social groups have structured the market, such as what occurred in mercantilist societies. Because incentives for widespread economic growth *should* logically point towards the opening of markets, theorists of commercial liberalism seek to understand why this does not always occur. Understood in this way, commercial liberalism is more than just free trade.

> Yet as theory rather than ideology, commercial liberalism does *not* predict that economic incentives automatically generate universal free trade and peace—a utopian position critics who treat liberalism as an ideology often wrongly attribute to it—but instead stresses the interaction between aggregate incentives for certain policies and obstacles posed by domestic and transnational distributional conflict. The greater the economic benefits for

[72] Waltz, "Kant, Liberalism, and War," p. 336.
[73] Although republican liberalism is most directly relevant to a theory of international politics because of its analysis of the effect of regimes on the international system, commercial liberalism is of particular importance for lending its language of cost-benefit analysis and its analysis of state-society relations.
[74] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 529.

> powerful private actors, the greater their incentive, other things being equal, to press governments to facilitate such transactions; the more costly the adjustment imposed by economic interchange, the more opposition is likely to arise.[75]

Although commercial liberals may support free trade because of its mutually reinforcing properties in a system of representational government, their theories lend equal support to Moravcsik's contention that market structure, as constituted by (powerful) private actors, is the ultimate determinant of market conditions. If private actors achieve gains through rent-seeking rather than a competitive increasing of efficiency, they will pressure the government for protectionist policies. Conversely, firms with close ties to the competitive international economy will be less likely to support protectionist policies. Finally, firms that have diversified into the international economy will ultimately have a pacific effect on inter-state relations, whereas conflict will tend to take place where opportunities for monopolies exist, whether it be in raw resources or sectoral industries.

Adam Smith's *Wealth of Nations* is contextualized by the primary political economy of his time: mercantilism. Mercantilism is often viewed most simply as colonial economics, a system in which trade is a national endeavor coordinated by a government within the territories it controls for the purpose of using its military to expand that territory. In reality, war was not so much the focus of mercantilism as it was an externality. Smith's critique of mercantilism is policy-based rather than ends-based. It rejects colonialism and protectionism as systems that are not optimum, both in terms of economic growth and inter-state relations.[76] In Smith's view, the basic flaw of mercantilism is its refusal to recognize commerce as an endeavor that can result in mutually beneficial exchanges, creating a positive feedback loop of interconnectedness, specialization, and pacification. Under mercantilism, "nations have been taught that their interest consisted in

[75] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 528.
[76] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 234.

beggaring all their neighbours."[77] This mentality, which Smith offers an alternative to, is one that views economic interactions as only constituting opportunities for bargaining rather than opportunities for cooperation. In short, mercantilism has forsaken the potential of economics.

> Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss. Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity.[78]

Smith's problematization of mercantilism leads him to posit both an alternative view in the form of free market economics and to explore further the concept of relative gains that made mercantilism appealing as a competitive economic system. Smith recognized that economics is fundamentally founded on a certain political base. Concurrently, it is not reasonable for states to accept a system in which they are beholden to international economic forces beyond their control. Therefore, Smith's free market must work within a political structure. It is not enough to blithely replace mercantilism with a hypothetical free market. Smith must show the effects that such a market will have on international politics.

Smith's understanding of economics and international politics requires that he confront the issue of relative gains, of conflict over scarce resources. A system of relative gains is a zero sum game, one in which all interactions are a form of bargaining; each party involved in an interaction either must compromise or impose a total loss upon its counterpart. In confronting mercantilism, Smith must confront its rationale of relative gains.

> Relative gains govern either (1) because any external interference with domestic law and order is destabilizing, or (2) because trade can be manipulated advantageously and produces, in any case, very little mutual gain, or (3) because the insecurity of world politics means that only the relative gains are valued, since only they produce superiority vis-à-vis rivals.[79]

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[77] Smith, *Wealth of Nations*, p. 460.
[78] Ibid.
[79] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 234.

Smith rejects the first mercantilist assumption because he views free trade as promoting individual free choice, which, like Kant in his support of republican (representative) government, is considered a moral endeavor. He rejects the second assumption on the basis of his economic analysis, that the manipulation of trade is in fact inefficient, imposes an unnecessary tax burden on citizens, and is more conducive to international conflict. The third assumption, however, is more difficult for Smith to dismiss.

While free trade does often produce mutual benefit, that benefit is not always equal among all parties. Robert Gilpin, a modern theorist of international political economy, maintains that this emphasis on relative gains is in many cases, politically essential: "In a world of competing states, the nationalist considers relative gain to be more important than mutual gain."[80] Despite the economic advantages of free markets, they can be politically disadvantageous. Smith explains this by a dilemma: while it is beneficial for trading purposes to have wealthy states to trade with, it is not beneficial to go to war against an enemy capable of expending vast amounts of resources. Therefore, a basic formulation of Smith's theory dictates that impoverished states will pursue policies of free trade when surrounded by wealthy states whereas a wealthy state will pursue mercantilist policies when surrounded by impoverished states. Each is in search of their own political advantage. Smith's recognition of this problem significantly deepens his philosophy. It does not merely support free trade and recognize its value; it also identifies situations in which free trade is not the best political option, imposing constraints on its pursuit as a policy. As Moravcsik keenly identifies in his brief summary of commercial liberalism, the key variable in this analysis is market structure. In some cases, the surrounding environment is conducive to the pursuit of increased free trade. In other cases, it is not. While Smith does identify moral reasons

[80] Gilpin, *The Political Economy of International Relations*, p. 33.

for free trade, a hefty portion of analysis is devoted to the reality of international trade and its relation to the political environment. Far from being a naïve optimist, Smith recognizes significant barriers to adopting a free market system.

However, the political argument against free trade offered by mercantilism is also shown by Smith to downplay the autonomous forces of the free market. Whereas mercantilism thrives on political foundations because "economic dependence makes states insecure," the forces of capitalism, in accordance with their representative nature, produces a certain type of autonomous, conflict-reducing, political interdependence.[81] International trade and manufacturing decentralized socioeconomic power so that the groups or individuals that held this power (Smith describes them as "great proprietor[s]") are gradually rendered obsolete by the forces of the market. Before the advent of manufacturing, these proprietors were single-handedly responsible for supporting the welfare of those around them.[82] With the introduction of foreign trade and manufacturing, the surplus of the great proprietor was no longer tied to the support of his or her locality. Instead, this surplus could contribute exclusively towards individual enrichment. Ironically, this effectively supports the welfare of a greater number of individuals than before, for the myriad of those involved in the production of various purchased goods is not only larger than the locality, but also "each tradesman or artificer…though in some measure obliged to [different customers]…is not absolutely dependent upon any one of them."[83] The new choices introduced by the free market provides a decentralizing force that counterintuitively reduces dependence on any single group or individual. Here, Smith implies the invisible hand: "Neither [the great proprietors or the merchants and artificers] had either knowledge or foresight of that great revolution which was the folly of the

[81] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 236.
[82] Smith, *Wealth of Nations*, p. 385.
[83] Smith, *Wealth of Nations*, p. 390.

one, and the industry of the other, was gradually bringing about."[84] By demonstrating that it was foreign trade and manufacturing that brought about improvements to Europe rather than closed borders and the pursuit of relative gains, Smith posits that the logic of mercantilism is actually hindering the true potential of trade.[85] It was decentralized economic forces, not political forces, which resulted in increased wealth in Europe during Smith's time. Similarly, Smith lays the foundations for a view that holds these forces to have a pacifying effect on society.

Commercial Forces for Peace

Rather than focus on the international forces produced by representative government as Kant does, Smith focuses on the internal forces found in the composition of various societies in history and the effects these forces have on the likelihood of a government to pursue either war or peace. As societies become more organized and economic production more consolidated, the producers become focused solely on specialization. Smith describes this by comparing livelihoods: "A shepherd has a great deal of leisure; a husbandman, in the rude state of husbandry, has some; an artificer or manufacturer has none at all."[86] This lack of leisure time highlights the reality that citizens can no longer be called upon by their sovereign to be soldiers in times of war, for the nation depends on their ability to produce wealth. Indeed, this wealth is also an enticement to war for the enemies of such a nation. Therefore, a class of dedicated soldiers must arise in the form of a standing army. Smith also points to the supremacy of discipline in the modern age of warfare wherein an enemy can be destroyed without immediate foreknowledge of this likelihood. A standing army embodies this discipline far better than a militia, which is characterized not by its

[84] Ibid, pp. 391-392.
[85] In Moravcsik's terms, mercantilism was focused on the politics of distributional conflict. The market structure at the time was dictated by powerful social groups that made the transition to a market economy politically costly.
[86] Smith, *Wealth of Nations*, p. 659. Constant (distributional) conflict over resources explains why manufacturing took so long to develop. A nation at war will naturally forsake aggregate welfare gains in favor of relative gains.

exclusive prowess in war, but rather its emergence from various sectors of the economy. Therefore, "a well-regulated standing army is superior to every militia."[87] This army secures the power of the sovereign and the rights of the sovereign's citizens to continue producing wealth, a process that will naturally lead towards greater individual liberty.[88]

By embracing a dedicated military, economic specialization soon becomes possible, compounding the effects of societal dominance. Civilizational advancement of the type outlined above calls for further military expenditure, for modern weapons possess a higher cost to effectiveness ratio than their ancient counterparts: "In ancient times the opulent and civilized found it difficult to defend themselves against the poor and barbarous nations. In modern times the poor and barbarous find it difficult to defend themselves against the opulent and civilized."[89] The advantage in warfare soon becomes possessed by the wealthiest nations. The inclination towards preparedness for war encourages economic growth. This growth becomes a source of civil independence. At first the citizenry is captive to the military advancement of the state, but eventually they become economically autonomous: "Commerce and armies together could, [Smith] argued, push societies from servile dependency and a continual state of international war to something better, a civil society enjoying natural freedom and a prospect of peace."[90] Smith's roundabout argument for a peace framed by the emergence of economic growth forms the basis for later liberal theorists to elaborate on the pacifying effects of trade.

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[87] Smith, *Wealth of Nations*, p. 667.
[88] It is interesting to note that one of Kant's preliminary articles in *Perpetual Peace* calls for the gradual abolition of standing armies. Conceivably, such an abolition would take place as states became more economically interdependent, making war prohibitively costly and rendering standing armies obsolete.
[89] Smith, *Wealth of Nations*, p. 669. It is interesting to note here that the power of social groups among different states became more unequal as states became more modern. In short, state preferences came to matter more, particularly in the matter of distributional conflict.
[90] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 241.

Smith's depiction of war and its constant interaction with market structure provides a plausible vision of peace, one that would be taken up by later theorists such as Joseph Schumpeter. In contrast to later liberal economic theorists, Smith prudently discusses free trade and the potential for more peaceable relations alongside the equally persistent barrier to free trade provided by the international political environment. Michael W. Doyle describes Smith's contribution to liberal theory as tempered by an acknowledgement of the various obstacles to free trade and subsequent economic growth: "Adam Smith's message for the international political economists of the dawning age of manufacture was thus at best one of cautious hope. Perhaps, he suggests, relations among industrial societies would be peaceful if they realized how uneconomic aggressive war could become."[91] The original Smithian vision of world politics provides the double-edged tools used by Moravcsik in positivist liberal theory and lays the groundwork for modern international political economy, but only in the barest sense. It was the theorists of the late 19th and early 20th century who would most profoundly develop a vision of commercial liberal theory. This vision would give priority to the power of economics in international politics: "Veblen, Schumpeter, and others emphasized the radical opposition of the industrial spirit and the military spirit"[92] While these thinkers possess ideologies that are less conspicuously liberal than Adam Smith, their economic arguments for pacification follow from Smith's analysis and offer a simplified model of how the economic interconnectedness of free societies limits war. In particular, early 20th century economist, Joseph Schumpeter, is identified by Doyle as offering "a modernized and more complete version of the Smithian tradition when he considers the international effects of capitalism and democracy."[93] Schumpeter writes a little less than a century and a half after Smith, when

[91] Ibid.
[92] Levy, "Domestic Politics and War," p. 664.
[93] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 241. Doyle's analysis of Schumpeter rests on two major texts. Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper Torchbooks,

mercantilism had been largely converted to its political form: imperialism. This new challenger is the impetus for Schumpeter's analysis, which combines various ideas from Smith's political economy and Kant's understanding of the benefactors of war.

Commercial Liberalism and State Capture

Just as Smith pictures a nationalist mercantile disposition among nations that serves as a barrier to economic growth, Schumpeter pictures an imperialist drive for war that depends on the social groups that command the state. In Schumpeter's vision, the combined effects of a representative economic and a representative political system lead to peace: "Schumpeter saw the interaction of capitalism and democracy as the foundation of liberal pacifism, and he tested his arguments in a sociology of historical imperialisms."[94] Imperialism, in Schumpeter's view, is the impulsively expansive nature of the state. This nature is spurred on by war, which comes from the desire to acquire territory and exclusive access to valuable resources: "Modern imperialism, according to Schumpeter, resulted from the combined impact of a "war machine," warlike instincts, and export monopolism. Once necessary, the war machine later developed a life of its own and took control of a state's foreign policy."[95] In short, the state was captured by social groups promoting their own interests rather than operating under a principle of full representativeness. This imperial desire is antithetical to the forces of capitalism and the forces of democracy, which rely on an individualized populace focused on the economic rationalism in a representative system. Doyle succinctly explains Schumpeter's argument in a way that vaguely resembles aspects of Kant's: "Schumpeter's explanation for liberal pacifism is quite simple: Only war profiteers and

1950). Joseph Schumpeter, "The Sociology of Imperialism," in *Imperialism and Social Classes* (Cleveland: World Publishing Co., [1919] 1955).

[94] Doyle, "Liberalism and World Politics," p. 1152.

[95] Ibid. Although Moravcsik relates state capture to republican liberalism, Schumpeter's implication seems clear.

military aristocrats gain from wars."[96] Regardless of the validity of this claim, which undoubtedly encounters considerable empirical challenges from the First and Second World Wars, Schumpeter's philosophical articulation of state capture is fundamental to the substance of Moravcsik's theory.

Hope in progress towards a more peaceful future and a broad historical scope are hallmarks of normative liberal theory. Yet the vision of these philosophical aspirations can contribute valuable insights to the language used by positivist theory. Adam Smith's *Wealth of Nations* not only illustrates the benefits of the free market, but the political challenges to this market, namely, the appeal of relative gains. Smith's work is not just a (positivist) analysis of the societal effects of the liberty of the market, it contains within the seeds for a (normative) liberal view of political economy. The historical progression of great proprietors and their evolving relationships with merchants and artificers as well as the societal development of the standing army both reflect a vision for potential progress by which the increasing organization and advancement of civilization can lead to a more autonomous civil society. Just as Moravcsik asserts, the essential component of Smith's analysis are social groups operating under a changing market structure. Joseph Schumpeter enhances this discussion with his depiction of the differing spirits of industry and war, for "Smith articulates the social and economic foundations on which Schumpeter builds."[97] Smith frequently speaks of the problems of the mercantile spirit, one that is rooted in a desire for relative gains and military dominance. Schumpeter adds to this discussion by introducing the concept of a war machine, or a series of aligned interests that can (and frequently do) capture the state, resulting in modern imperialism. Smith and Schumpeter are ultimately framed in contemporary terms by Moravcsik, who articulates Smith's struggle with relative gains as "international distributional

[96] Doyle, "Liberalism and World Politics," p. 1153.
[97] Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism*, p. 249.

conflicts" and Schumpeter's struggle with the war machine as "uncompetitive, monopolistic, or undiversified sectors or factors [who] lose the most from liberalization and have an incentive to oppose it."[98] In short, war is a result of the potential for resource control to be monopolized and peace is a result of the potential for diverse and complex transnational relationships. Yet these insights were not discovered through a process of empirical abstraction. Rather, the normative vision of liberalism in both Smith and Schumpeter produced an attentiveness to historical change. Although the normative vision is discarded in Moravcsik's work, the benefits of its analysis are not lost in his description of commercial liberalism.

War and Peace in Economic Terms

In confronting distributional conflict and relative gains, commercial liberals such as Smith and Schumpeter necessarily confront war and peace among states. Trade is a basic alternative to war. Countries that allow for freer trade are therefore less likely to engage in war because they are more occupied with trade. The greater the web of interdependence and the more diverse it is among trading nations, the more costly war becomes. Although peace may benefit all, commercial liberals point to obstacles produced by powerful incentives to forsake aggregate gains for relative gains. Concurrently, when the state plays a large role in the market, the social groups that command it wield the power to enrich themselves at the expense of others. This is an important corollary to the representation thesis posited by republican liberals. Its commercial counterpart holds that "economic relations between centralized economies…tend to be determined by considerations of power rather than the market, and this politicization of economic conflicts introduces additional tensions into interstate relations."[99] Liberal theories of war are rooted in this thinking, represented

[98] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 529.
[99] Levy, "Domestic Politics and War," p. 664.

by both republican and commercial liberalism, that diversification whether of trade of scarce resources or representation in government poses a significant barrier to conflict.

While commercial liberalism provides liberalism in general with a valuable cost-benefit analysis method of viewing social interaction, it ultimately is subsumed under republican considerations of structural interactions. Commercial liberalism is the backbone of liberalism's analytic language for conflict. It also betrays liberalism's dependence on social groups as the primary actors of world politics; economic interaction that may originate completely independent of the state can have profound consequences on it. These interactions can often be critical in determining the configuration of state preferences by which Moravcsik's theory is constrained and can produce consequences overlooked by other theories. In economies that have a high degree of state integration, Moravcsik's assertion that "individuals turn to the state to achieve goals that private behavior is unable to achieve efficiently" highlights the state's important role in resolving differing interests about the distribution of scarce resources.[100] It is clear that the philosophical origins of liberalism support democracy and free trade. Yet, the value of their analysis is often found in explaining why social groups do not always support democracy and free trade. Both Smith and Kant operate under the assumption that there are structural constraints preventing states from pursuing free trade and peace. Their explanations of conflict framed by Moravcsik's positivist epistemology field a compelling theoretical vision that articulates a distinct mode of structural interaction in international politics.

Objections to a Systemic Liberalism

The assumptions of positivist liberal theory are nothing new, claims Moravcsik; rather, they have been rejected in past discussions of international relations theory. One objection is that

[100] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 518.

the outcomes of international politics often do not correspond to the preferences of any one state or grouping of states. What one state wills is seldom what it achieves. In other words, by privileging social concerns, liberalism is seen as downplaying the powerful incentives of the international environment. Another objection is that Liberalism's prioritization of social concerns introduces irreducibly complex elements that cannot be accounted for by a general and parsimonious theory of world politics. Both of these objections would seem to point towards a violation in the previously established definition of a systemic theory of international relations because liberalism does not explain international politics through the comparative standing of states. However, all of these objections are, according to Moravcsik, not true. Not only is liberal theory non-reductionist, it is also a systemic theory capable of explaining a broader variety of phenomena than current theoretical models.

According to Moravcsik, opponents of liberal theory have misrepresented its primary unit of analysis and thus its value. The concept of state preferences is not limited to only the domestic sphere of political interaction, but also refers to "transnational *societal* interaction," which in a globalized world, is practically impossible to avoid due to the dynamics of free trade and the necessity of "cultural discourse."[101] Not only are the fundamental actors of international politics social, but states only matter insofar as they embody social interaction. This interaction can occur irrespective of the borders of nation-states and has basic consequences for the way in which the government conceives of its role both internationally and domestically. For instance, rather than point to constraints on state capabilities or information as the reason for a breakdown in negotiations of an international trade agreement, liberal theory examines the social nature of the interaction by highlighting the powerful private interests of social groups. These groups exert

[101] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," pp. 522-523. Moravcsik's defense of liberalism is in direct opposition to the dominance of the realist paradigm.

significant pressure on the state apparatus by demanding the prioritization of their interests in the distribution of scarce resources.[102] Therefore, positivist liberal theory is unlike realism and its theoretical kin of by refusing to draw a definitive line between the sphere of domestic politics and the sphere of international politics. The international stage is not occupied by unitary states, but rather different groups attempting to realize their interests amidst the interests of other groups. The state is merely a vehicle where this most clearly occurs. This has always been a basic premise of liberal theory. From Kant's rights-based republic and the democratic peace to Smith's description of mercantilism and Schumpeter's state capturing war machine, liberalism provides a fundamentally social philosophy of politics. It is the character of the regime—its internal social composition—that affects the international system and contributes to a particular structure of international politics. The state is a conduit for political action instigated by social groups and its relevance is dependent on its use for social goals.

Moravcsik claims that positivist liberal theory conforms to the notion of a systemic theory by invoking policy interdependence. Although this concept does not override the basic insight that preferences are generated by social groups prior to inter-state interaction, it accounts in practice for the way in which particular states heavily shape the international environment: "National leaders must always think systemically about their positions within a structure composed of the preferences of other states…Hence the causal preeminence of state preferences does not imply that states always get what they want."[103] This unique perspective of positivist liberal theory gives it the conceptual grasp to make claims not only about international political interaction, but also about the foreign policy goals of particular states. For liberal theory, the locus of political power

[102] Ibid, pp. 538-539. This example is taken from Moravcsik's analysis of the Tokyo round of the GATT from the 1970s.
[103] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 523.

is uniquely conceptualized through social purpose. This insight, that it is preferences more than capabilities that determine international outcomes, is integral to its conception of basic international interaction. The primary constraint on states is not so much the ability to sacrifice resources, but the willingness of the state to do so.

Moravcsik's Variants of Liberal Theory

Moravcsik's three variants of liberal theory each illustrate different aspects of his basic causal variables. Each variant addresses social groups and state preferences from different angles. Ideational liberalism focuses on the legitimacy of state borders as related to social groups. This strand of liberalism is primarily concerned with the effects of self-determination or lack thereof among different social groups. Commercial liberalism emphasizes the incentives produced by inter-state trade and its relation to the structuring of different markets. Commercial liberalism offers insights into if and when governments and markets collide. Republican liberalism is primarily concerned with the structure of government, its broad types and institutions, and how this effects the ability of a government to represent the broader population in a state. This variant of liberalism discusses the willingness of a state to engage in conflict as a result of its effect on the governing social group or groups. Overall, these different variants of liberal theory help Moravcsik connect distinctive conceptions of liberalism under a single umbrella, importing nuance and philosophical substance to his broader framework of a positivist theory of liberal international relations.

Ideational liberalism conceptualizes state preferences through the lens of shared ideas about the role of government found within social groups. These ideas are manifested in three primary arenas: state borders, political institutions, and the limits of socioeconomic state intervention. Social groups support the government insofar as it supports their "identity-based

preferences;" in turn, accordance with these preferences grants the state legitimacy: "Foreign policy will thus be motivated in part by an effort to realize social views about legitimate borders, political institutions, and modes of socioeconomic regulation."[104] This was the basic reasoning behind much of President Wilson's foreign policy and the way in which he applied Kant's influence to the international system. Internationally, states that support similar conceptions of borders, institutions, and regulations are more likely to exist harmoniously with each other while states that support different conceptions will be more likely to engage in conflict with one another to realize their views. The national identity of social groups, developed over time and often encompassing a shared language, culture, and/or religion, is considered a powerful causal mechanism for state formation. When patterns of identity within a state are complex and inconsistent, when state boundaries do not align with national identity, and when this national identity belongs to a particularly powerful social group, conflict is likely to occur.

The second arena of potential social conflict in ideational liberalism is political institutions, the aggregate of which is regime type. Certain groups privilege certain institutions due to the distribution of power these institutions provide. In fact, institutional shaping powers may lead regimes of a particular type to support each other when faced with the threat of widespread institutional change from transnational social pressures. By this view, the democratic peace merely represents a particular alignment of values that have transitioned beyond basic support to peaceful relations. Proponents of the democratic peace thesis hold that these nations do not fight each other both because of this effect of mutual support and because of the pacifying effect of diversified representation provided in a democracy. In this way, ideational liberalism offers a different view

[104] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 525.

of the democratic peace that supports the conclusions of republican liberalism while adding new insights that can be generalized for a more holistic theory.

Thirdly, ideational liberalism shows that a convergence of views regarding socioeconomic regulation or the role of the state in the marketplace is more likely to result in international cooperation. Conversely, "regulatory pluralism limits international cooperation, in particular economic liberalization."[105] This is because international socioeconomic interaction requires shared beliefs and institutions about how this interaction ought to be structured in order for all sides to view exchanges fairly. This insight of ideational liberalism adds depth to commercial liberalism by highlighting the interests of powerful private actors. If these actors feel the legitimacy of their practices threatened, they pressure the government to support social groups in other states that have a similar conception of proper socioeconomic regulation. Aggregately, these types of state-society interactions contribute to market structure, which in turn alters the incentives of social groups to pursue freer or more regulated markets. Overall, ideational liberalism receives the most attention from Moravcsik of the three variants and thus offers powerful and plausible support both for his main theory and for the other variants. By codifying basic insights from an analysis of individual-society interactions, ideational liberalism produces a structure that is able to be systematically injected into a theory of international politics.

Commercial liberalism explains the behavior of states through economic incentives that affect social groups both domestically and internationally. Commercial liberalism is primarily concerned with market structure and the costs, benefits, and pressures that it imposes on particular groups. Using Smith's analysis of mercantile society as its basis, commercial liberalism analyzes why states do not always act to support aggregate welfare gains. The political advantages of

[105] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 528.

relative gains often produce powerful incentives to keep market structure closed. For example, private actors that have a monopoly on intra-state markets do not want to lose that monopoly through inter-state trade, even if that trade means that they will be cumulatively better off. Moravcsik points to "domestic distributional conflict" that occurs "when the costs and benefits of national policies are not internalized to the same actors" as a significant reason why there will be resistance to open and diversified markets.[106] In order to remain in a position of power and influence, private firms will often turn to rent-seeking (any gain that does not come from an overall increase in efficiency) as a means to enhance their well-being at the expense of other social groups. This rent-seeking behavior is emblematic of Schumpeter's war machine and is common alongside state capture and the existence of monopolizable resources.

Alternatively, commercial liberalism holds that liberalization will be more likely alongside a high degree of competition, trade within domestic industry (particularly of partly finished goods), support from foreign investments, and economic specialization. The existence of these factors significantly reduces the number of incentives for rent-seeking among powerful private actors when the opportunity for market liberalization is presented. In short, these market features will internalize the benefits of widespread free trade. Unfortunately, imperfections in the global market (international distributional conflict) also produces malformations that may lead to the pursuit of illiberal policies at the international level. Essentially, commercial liberalism highlights when governments have an incentive to manipulate markets and why such an incentive arises. Market diversification and complexity makes coercive action more difficult because of systemic interdependence, whereas resources that can be monopolized are more likely to contribute to conflict because they do not require diversification and integration with foreign markets. Although

[106] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 529.

commercial liberalism is primarily concerned with the influence of economics on politics, it accounts for much of the development of interdependence and independence among particular states, influencing the likelihood of conflict.

Republican liberalism builds on the insights of ideational and commercial liberalism and examines how they are institutionalized at the regime level: "While ideational and commercial liberal theory, respectively, stress demands resulting from particular patterns of underlying societal identities and economic interests, republican liberal theory emphasizes the ways in which domestic institutions and practices aggregate those demands, transforming them into state policy."[107] Republican liberalism specifies the method in which the interests of social groups are configured as state preferences and how these preferences interact with those of other states. The central variable is the way in which society is represented in government. If a government is captured by a single social group, it is far more likely to use the state as a tool for its own benefit while pushing the costs and risks of their actions to other groups. More broadly, this also tends to lead to inefficiency when state gains are disproportionally felt by the social group in power. Conversely, when government is captured by a broad range of social groups, the less biased they tend to be and the more likely their policies will enhance the welfare of all social groups that make up the state. While these conclusions would naturally lead to a democratic system of government as being the most beneficial for all of society, Moravcsik highlights several important reasons why this is not necessarily true.

> First, in specific cases, elite preferences may be more convergent than popular ones. If commercial or ideational preferences are conflictual, for example where hypernationalist or mercantilist preferences prevail, a broadening of representation may have the opposite effect…Elites, such as those leaders that constructed the Concert of Europe or similar arrangements among African leaders today, have been attributed to their convergent interests in maintaining themselves in office. Second, the extent of bias in representation, not democratic participation per se, is the theoretically critical point. Direct representation

[107] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 530.

> may overrepresent concentrated, organized, short-term, or otherwise arbitrarily salient interests. Predictable conditions exist under which governing elites may have an incentive to represent long-term social preferences more unbiasedly than does broad opinion.[108]

While recognizing these complexities is important for understanding the problems inherent in democratic representation, it does not change the basic insight of republican liberalism. The difficulty of attaining truly representative governments explain why the Kantian republic has such a strict definition. Kant's intense focus on representation typifies the focus of republican liberals, which prioritizes analysis of the transformation of social interests into state preferences.

The reasoning behind republican liberalism's intense focus on representation is found in the insight that society at large has the most to lose in war. As studies of the democratic peace have shown, this does not mean that liberal democracies tend to fight fewer wars in total.[109] However, the sources of these wars have become more predictable. Although the democratic peace thesis is known as perhaps the most enduring legacy of liberalism on international relations, Moravcsik points to an interesting and lesser known conclusion republican liberalism offers to explain war. Whereas democratic states do not engage in conflict with each other because of their ability to represent a broad range of social groups, those states that do frequently engage in conflict do so because representation is highly skewed and elites are often capable of absorbing high degrees of risk because they are protected from the full costs of war. The broad conclusion of republican liberal theory is thus that "despotic power, bounded by neither law nor representative institution, tends to be wielded in a more *arbitrary* manner by a wider range of individuals, leading both to a wider range of expected outcomes and a more conflictual average."[110] Problems with perfect representation come from social groups that wield a disproportionate amount of influence within

[108] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 531.
[109] My primary sources for this claim is Doyle, "Kant, Liberal Legacies, and Foreign Affairs, Part 2."
[110] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 532.

a state, making outcomes less predictable. The central tension of republican liberalism is the relation between democracy and representativeness. In fact, the search for the latter may not always lead to the former. Regardless, republican liberalism as a whole seeks to understand state action via the representational methods of governmental institutions.

Conclusion: Liberalism in International Politics

Moravcsik's theory of international politics seeks to reorient liberalism around a single, coherent theoretical model. This new liberal paradigm is necessary, particularly when viewed in comparison to the dominant paradigm of realism. In short, Moravcsik's goal is to beat realism at its own game. As such, his reformulation of liberalism is beholden to certain criteria identified as central to the ability of liberalism to achieve equal or superior conceptual footing in relation to realism. It must "highlight unexplored conceptual connections among previously unrelated liberal hypotheses," offer "its own conceptual boundaries in a manner conforming to fundamental social theory, in this case clearly distinguishing liberal hypotheses from ideologically or historically related hypotheses based on different social scientific assumptions," possess the theoretical power to "reveal anomalies in previous theories and methodological weaknesses in previous testing," and be adaptable to synthesis with other theories "to form coherent multicausal explanations" when needed.[111] These are the criteria that Moravcsik holds for his paradigmatic restatement. The cloak of liberal international relations he casts is one which he claims holds superior parsimony and coherence in comparison to other theories. By offering three main assumptions: that the primary actors are risk-averse rational individuals and private groups, that states act as a vehicle for social interest and create state preferences, and that the organization of these preferences and their interaction with those of a foreign state determine state action, Moravcsik builds a basic structure

[111] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 533.

for a contemporary understanding of liberal insights that is directly relevant to empirical reality. This structure is given substance by the intermingling analysis of ideational, commercial, and republican ideas and their philosophical origins. These elements offer a general framework from which world politics can be analyzed and explained.

In addition to a framework from which a variety of international inter-state behavior can be simply explained, liberalism as a theory of international relations offers unique insights that are left unaccounted for in other theories. Not only does Moravcsik's liberal theory describe the environment of international politics, it also sheds light on the "substantive content of foreign policy."[112] As the primary actors of liberalism, social groups and their various constituents may fully or partially capture the state as a vehicle for their different agendas. These social groups also need not be constrained by borders and may have much in common with either the intrinsic or extrinsic nature of social groups in foreign states. Social groups are often transnational; this explains why some states are more concerned about the potential for conflict in some areas of the world and not others. For instance, the United States' longstanding support for Israel stems both from a state preference of promoting democratic governance in the region and from well-organized lobby organizations such as the American Israel Public Affairs Committee (AIPAC). The AIPAC represents a highly organized and powerful social group in American government that serves as an enduring expression of the linkage between the American and Israeli governments. Lobbying groups, shared religious and ethnic backgrounds, and historical patterns of stable trade all represent examples of transnational social interaction that stem from inter-state interaction.

Another major contribution of Moravcsik's positivist model of liberalism is its explanatory power in terms of "historical change in the international system."[113] Commercial liberalism in

[112] Ibid.
[113] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 535.

particular offers an analysis of economic growth that helps explain related trends in governance and interdependence, such as the historical comparison of militia and standing armies provided by Smith. Liberalism has a vision of progress towards peace that does not necessitate an invocation of teleology. By understanding that peace is philosophically possible, Liberalism in the normative sense produces a moral imperative to pursue it. This impetus for a philosophical study does not preclude the emergence of insights that can be adopted to positivist theory. Kant's vision in *Perpetual Peace* is both a call to action and an analysis of the potential effects of such action. It is the latter that Moravcsik retains, for it gives liberalism greater theoretical mobility than realism. The concept of international anarchy is not discarded, but its role can be mitigated by forces that operate within multiple states. In contrast to competing paradigms, "liberal theory…forges a direct causal link between economic, political, and social change and state behavior in world politics."[114] The growing complexity of the international system is a result of the increasingly globalized interactions of economics, politics, and social change, important predictions about which can be extrapolated from the core tenants of positivist liberal theory and its three variants.

Finally, liberalism offers a convincing explanation as to the relative aberration in international politics that the modern system represents. Moravcsik describes this as "a stable form of inter-state politics" taking place "among advanced industrial democracies" and "grounded in reliable expectations of peaceful change, domestic rule of law, stable international institutions, and intensive societal interaction."[115] Modern Europe is given as a major example of a grouping of states whose state preferences, often expressed through transnational social groups, have been realized among their immediate neighbors. Unlike in earlier times, there is no system of alliances pitting neighbor countries against one another. Instead, each country is satisfied with its democratic

[114] Ibid.
[115] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 535.

governance and the similar constitutional structure of its neighbors. These nations possess shared values of what good governance ought to be. These shared constitutional structures and social values provide powerful inhibitors of conflict. By offering plausible explanations of the content of each state's foreign policy, the potential for broad movements of historical change, and the unique environment of international politics among better developed and more democratic states in present times, positivist liberal theory demonstrates a high degree of distinctiveness and usefulness as a dynamic, parsimonious, and insightful model of international relations.

Specificity in international relations is paramount. The New Liberalism of Andrew Moravcsik is a theory of international politics, operating under the same epistemology as modern realists such as Kenneth Waltz. Its analysis stands in direct contrast to the dominance of the realist paradigm, offering a new alternative in social science models of international relations theory. Yet the word liberal does not deserve to be struck from the title of the analysis. "Do labels matter?"[116] Although Moravcsik never directly answers his own question, the answer, as this paper has helped elucidate, is yes. Moravcsik's liberalism may be rather particularized in kind, but the relevant insights of the thinkers he draws upon show that there is value yet to be had in liberalism. The structure of the theory is undoubtedly Moravcsik's, but its insights are clearly liberal. Moravcsik's three variants of liberalism do indeed produce substantial complementary insights. A brief review of the philosophers associated with them does indeed show that New Liberalism might not be so new after all. The style of presentation and the prioritization of certain insights may have changed, but the substance is the same. The shift to 'liberal positivism' is both necessary to keep pace with contemporary theory and useful in considering the legitimate depth of insight and historical vision shared by certain thinkers in the liberal tradition.

[116] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 533.

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Appendix: Faith and International Politics

International politics is fraught with concerns about the potential for war and peace. As scarcity is to economics, so is conflict to international relations. Liberal philosophers, for the first time in modern history, offered a systematic attempt to justify a hope that this will not always be the case. Kant's faith in progress was equivalent to his faith in God. It was faith in this providential design that led him to declare that Nature was working to make peace the end goal of humankind. Faith as an impetus for value-based action has no place in Moravcsik's liberal theory of international politics. In order to be problem-driven and synthesized with other theories, it must avoid the meta-theoretical commitments invited by attempting to prioritize one mode of viewing the world over another. This is methodologically reasonable and effective for any theory of international relations. Yet, as my analysis has shown, normative theorizing and its philosophical aspirations can benefit positivist research projects. Liberalism would not be able to diagnose the causes of war without first having a vision of peace, a world in which the state of international anarchy gradually ceased to apply. Faith is a crucial component of making theoretical assumptions. The ambition of faith in a peaceful world has led and continues to lead scholars to the discipline of international relations.

The relevance of international relations theory is dependent on its ability to provide models of world politics that can explain as many events as possible. This aspiration is essential to social science. Theoretical notions are justified by the explanatory power of the theory they partake in. Theories of international politics are not just collections of associated research programs that explain the connection of one variable to another. Rather, they are qualitatively distinct. They offer foundational assumptions that explain the meaning of the association of different variables.[117]

[117] These associations of different variables are known as laws. This description of philosophy of science is heavily indebted to Kenneth Waltz, *Theory of International Politics*, pp. 1-13.

They require faith, defined as trust in an assumption for why things work the way they do. Additionally, the leaps of faith found in assumptions rest on objectivity. Objectivity in this case is not defined as unchallengeable and unchanging knowledge, but rather an aspiration that assumptions can be challenged by all through the use of systematic investigation. Faith in objectivity prevents knowledge from becoming stagnant. Therefore, international relations theory should not be driven by theory for its own sake, but rather by data that poses explanatory problems to existing theories.

In conclusion, theory is impossible without faith. A theory of social science in international politics is not so much discovered as it is creatively abstracted from contemporary problems. Problem-driven learning is the impetus for the modification of existing theoretical models (theory synthesis) and sometimes the creation of new ones. This is because theories explain why causal patterns exist. Explanations of this kind require faith in assumptions. Whereas Kant's faith in the potential for peace is philosophically value-laden, stemming from a particular view of humanity and nature, Moravcsik's faith in a liberal theory of international politics rests on its ability to explain a wide range of events with a few basic propositions. In both cases, faith rests on the edifice of thought erected over previous generations. It is my faith in these same systems and their ability to teach us both the relevance of data-driven research and idea-driven philosophy that has led me to support Moravcsik's conclusions. Liberal international relations theory is indeed "a logically coherent, theoretically distinct, empirically generalizable social scientific theory."[118]

[118] Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," p. 547.