

Globalization's Nemesis: From Liberal Internationalism to White Nationalism

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Abstract

Through an analysis of key historical themes and points of US foreign policy in the last fifty years—containment and its end, the market turn of the 1970s, the globalization of the post cold-war era, and the current resurgence of nationalism—the author reconstructs the complicated historical road from liberal internationalism to white (and economic) nationalism of today.

Keywords: Internationalism; Nationalism; Globalization; Capitalism; Sovereignty.

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The column "Bringing the History Back In" sets out to offer a space where scholars have the chance to publish broad and comprehensive articles that aim to give useful and original interpretations of the present from the perspective of the professional historian. We see this space as an open and an intergenerational forum, where senior historians have the opportunity to share their historical analyses in a publication edited by and aimed at early career researchers.

I would like to touch upon key themes or points in which meanings and directions changed in international affairs, particularly as far as US concepts are concerned. I focus primarily on governmental choices and strategies, rather than broader cultural shifts in meanings. This entails a less varied and rich terrain of investigation, but offers a more concentrated significance for each one of those shifts, which then affected other fields both materially and symbolically.¹

1 The End of Containment

Containment ceased to operate as the organizing concept and overarching mental compass of Western strategy in the 1970s, if not before. The Soviets were still seen as the fundamental military rival—strategically, and especially in Africa—but they were no longer feared as a credible antagonist in terms of social model and ideology. Thus, at the global level we see a move away from modernization policies finalized at containment—that is to say, from considering and promoting development as a functional strategic tool—to a priority given to market solutions and the downgrading of state policies in order to weaken sovereign rights and undermine the Third World ambitions for a New International Economic Order. In a nutshell, development ceased to be considered a strategic necessity aimed at pre-empting radicalism and communism. Modernity could simply be fostered—anarchically, unpredictably but rather profitably—by market competition.

The 1970s, often frantic, Western debates on economic policy—fueled by the oil crisis, the resurgence of unemployment and the overall decline of growth rates—focused on fiscal responsibility, trade liberalization, and capital flows. That is to say, on the management of capitalist interdependence. They did not account for Soviet Communism as model, ideology or societal and cultural rival, because it was no longer perceived as a “threat.”

When Ronald Reagan declared, in a speech in London in 1982, that Marxism-Leninism belonged to the “ash heap of history,” he reflected (and enshrined) this new consensus on the waning of a serious alternative to liberal capitalism. Therefore, the neo-liberal tenets on free market competition no longer needed to be restrained by strategic and societal considerations. John F. Kennedy and Lyndon B. Johnson had also acted upon fear of revolutions fueled by poverty. Their successors’ concerns could not be more distant. The defeat of the interventionist state and the mixed economy surely owed something to their increasing fiscal cost. Yet, a key determinant was the mere—and highly profitable—possibility of simply doing away with them. For the first time since the Depression, conservative politicians and especially business elites no longer felt threatened by a serious challenge to unfettered capitalism. Liberated from the fear of a systemic alternative, capitalism could move away from societal constraints, welfare concerns and redistributive policies.

2 The Market Turn

From the late 1970s onwards, free-market advocates deployed the West’s overwhelming financial and political resources in order to thwart global demands for a more equitable distribution of resources. Conditionality, fiscal austerity and high interest rates were their weapons of choice. They also relied, though, on the allure of the alleged alternative emerging from East Asia. With the smaller “tigers” at

1. The paper was presented in the International Workshop “Age of Fracture:” *Citizenship, Ideologies, Global Politics* organized in May 2018 by CISPEA (www.cispea.it) and the Department of Political and Social Sciences of the University of Bologna. See the full program here: <https://www.cispea.it/2018/12/09/international-workshop-age-of-fracture-citizenship-ideologies-global-politics/>.

first, and then far more crucially with China's turn, the rejection of Third World solidarity for development could boast a success story as crucial positive evidence for the market turn. The export-oriented strategies adopted in East Asia, with their measurable success in growth rates, were corralled to support the notion that growth did not really need costly policy packages and a Western commitment to international aid. They legitimized the philosophy of market solutions to international issues (even though the so-called Asian model was actually pivoted on interventionist states that directed industrial policy and promoted education; but such is the paradoxical power of myths). In the refrain of the so-called Washington consensus, what Asia could do, Africa and Latin America should imitate, although most countries did not have, nor were encouraged to acquire, the interventionist tools of the Asian states, nor the capital and technological support some of the latter received from US defense commitments.

It might be worth noting, that there was also a strong geopolitical element in this shift. China's strategic turn made the US dominant in Asia (while the USSR found itself encircled) in spite of the Vietnam War's failure, which had practically no consequence on the larger international "correlation of forces."

3 Sovereignty is not for everyone

After 1989, the Western system expanded on a world scale, to the point of being considered—at least by its numerous supporters—as coterminous with a global system. None of its terms were ever negotiated with the newly emerging powers, much less with Russia. The set of multilateral institutions and practices the West had built during the Cold War era could be joined in, by adapting to its pre-defined rules and norms, but not modified. It was a clear case of the self-proclaimed victors offering a stark "take it or leave it" option. Opposition or, worse, proactive challenges were forcefully discouraged. Iraq first, and Serbia a little later, showed that those who became the target of American wrath could be brought down by overwhelming military force, according to interventionist doctrines that shelved away those notions of sovereignty that did not conform to the norms and values sanctioned by Western powers, largely for their own purposes.

In this context, a "right to protect" doctrine nurtured by human rights' concerns resurrected an imperial pretension at setting rules, while simultaneously considering oneself exempt from them. The US bombed Milosevic into submission and helped bring him to justice, for instance, while at the same time rejecting the International Criminal Court's jurisdiction upon itself, and American citizens. This was not entirely new, since the anti-statist and anti-sovereignty culture of human rights had already been deployed against the Third World and the New International Economic Order in the late 1970s and 1980s. After 1989, however, those features became a shared (and dominant) Western lexicon that aimed at protecting individuals, but not political projects, ethnic minorities that were threatened by anti-Western tyrants, but not minorities or even majorities who pursued alternative visions. As a result, outside the West the doctrines of human rights often came across as hypocritical justifications that might is right. While within the end-of-the-century West, a consensus congealed around a self-serving, smug and intoxicating understanding of the world as well as its history as our own privileged domain. However much derided by intellectuals, Francis Fukuyama's notion of the "end of history" actually became the *koiné* of Western political and economic elites, the received wisdom that market democracies were the undisputed present and the future of humanity.

4 The Global Rebalancing of Economic Power

The "War on Terror," particularly the invasion of Iraq, turned into America's worst strategic failure. It destabilized the broader Middle Eastern region without the means, or indeed the vision, to re-organize it. It metastasized terrorism into a spiraling, region-wide clash of multiple sectarian, civil, and international conflicts, which were intertwined in so many ways that their solution was virtually impossible. In many Arab and Western minds, it rooted the notion that a fundamental "clash of civilizations" was indeed afoot. It opened up many doors to the expansion of Iran's influence, the very adversary of

America's regional allies, thus sharpening its fundamental conflict with Saudi Arabia and with Israel to such an extent that we now see a probable path to war among the major regional powers. Besides, it drastically diminished the leverage the US had in the area.

Obviously, it did not in any way change the dynamic of relative Western, and American, economic decline on a global scale, and particularly vis-à-vis Asia.

In 1989 the economies of the G7 countries still represented about half of the world GDP (49.1%) at purchasing power parity. But, by 2014 they were reduced to one third (32%). Conversely, China grew from 4.07% to 16.32% of the world GDP. Its economy is now slightly larger than America's at PPP, and is projected to overcome it by 2030 at nominal rates. The trend is not very different if one looks at global commerce. Between 1995 and 2014 the developed countries' share of world trade decreased from 80% to 54%, while emerging Asia moved up from 12% to 27%. This global rebalancing of economic power (in long historical terms, it is the closing of Ken Pomeranz's *Great Divergence* that opened up more than two centuries ago) is the main feature of our era, and will at least continue for some time. Thus, managing a relative decline, rather than refuting it, should be the actual task of any US president. Yet, we have all seen how the president who tried to deal with the problem was vilified by those who deny it.

Barak Obama's response to America's strategic predicament was a measured retreat from US dominance in favor of negotiated multilateral agreements. He did not insist on "exporting" democracy. He saw the US's overwhelming military power as a resource to be used sparingly, only when vital interests were at stake. He tried to avoid conflicts that could not be won, and that degraded America's diplomatic reach and cultural influence. Instead, he theorized partnership was the indispensable pattern to international solutions, and more a durable prop to US leadership. Multilateral collaboration—on strategic issues as well as economic ones, and obviously on global topics like climate change—was his key instrument, not only for its international efficacy, but also for the need to restrain America's own self-righteousness, its rhetoric of fear, as well as its unruly impulses. He chose to engage adversaries, rather than blow them up as giant threats, and then bludgeon them by the use of force. He used this approach most clearly with Iran and Cuba, and initially in a failed attempt at a wider regional accord for the Middle East.

As far as China was concerned, he did not conceptualize the crucial relationship with the US as a zero-sum game, a black and white battle for hegemony between the traditional and the emerging power. His view seemed cognizant of a far more intertwined complementarity that included elements of mutual dependence, as well as of potential rivalry.

5 The Resurgence of Nationalism

This soon came to be perceived as surrender by US nationalism, which in its current resurgence is bent on wrecking the practice of international cooperation for the sake of unilateral US advantage. Donald Trump embodies a return to a logic of great power conflict and nationalism as the matrix of world (dis)order and antagonism. Defined as aggressive unilateralism by foreign policy wonks like John Bolton, or simply bullying tactics to impose American solutions to friends and foes alike, it is a method that may bring some results on trade issues and perhaps even on security problems—although this must still be truly tested, particularly in Korea. However, it obviously exacerbates risks, and presumes that the US can dominate without allies and partners.

What is perhaps most significant is that Trump's trade war approach is aimed not so much at gaining some advantage here and there in order to reduce the US deficit. This is a secondary, though convenient, factor. The key strategic goal is to prevent China from becoming a high-tech world power, and instead force it down among the second-tier economies. The Trump Administration believes that the US is engaged in an existential economic battle with China, which it sees as a threat to America's hegemonic role.

Thus, we seem to have come full circle. From a twentieth century internationalism that promised development as a universal path, a pledge of shared progress, to a re-nationalization of economic destinies. It aims at replacing globally open competition with zero-sum-game antagonism for national advantage. In such a context, the US should have a predominant role not only as the top economy

but also—and primarily—as the sole judge and executioner of international norms. The tone of the Administration's dealing with China is most illuminating in this respect, with diktats about what China should, and should not, do to adhere to Washington's demands that are strikingly reminiscent of the nineteenth century imperial language of gun boat diplomacy.

Now the question is, can this nationalistic reframing of international relations hold, when the West as such is relatively weaker than in the past, and obviously far less harmonious and coordinated? One widespread popular response seems to believe so, as it translates anxieties about globalization and the expanding relevance, if not power, of non-Western countries and peoples into a nationalist and inherently racist agenda. Current ambitions for a revived American dominance with an implicit or even explicit aura of white superiority seem very far-fetched to me. However, they can—and will—give rise to ugly, exclusionary and even violent (not to mention despicable) situations. The real issue is: can they actually, successfully, address the tensions and problems that beset Western societies?

6 Capital and Fractured Sovereignty

The 2008 crisis was resolved by the “emerging” economies that maintained a minimum of global demand, particularly with China's huge stimulus. The West's role, on the other hand, was drastically limited, with a clear priority for saving our own banks while contributing very little to sustain global demand. In the long crisis of legitimacy that ensued, in the US and even more in Europe, we have learned that public claims on politics and governments can be repeatedly, I would say systematically, evaded. Indeed, there was extraordinary callousness and ideological intransigence. However, the key issue is that the most important of those demands are largely no longer answerable, because governmental tools and resources (material as well as symbolical ones), have withered or moved elsewhere. If you announce that you will tax capital, this will quickly vanish in thin air, moved with a mouse-click to some more hospitable realm. As slippery as a soap-bar, capital has acquired the larger portion of an increasingly fractured sovereignty. Mark Zuckerberg's hearings at the US Senate were most instructive in this respect. At one time, this institution prided itself as the most venerable embodiment of democracy, yet senators were addressing Zuckerberg as the true sovereign. They were pleading like subjects, almost kneeling in front of a monarch; they were begging that he—please, please—address their problem.

I venture that public anger and ubiquitous resentment were also multiplied by this apparent, macroscopic, and seemingly unsolvable tension. The public institutions I can appeal to for redress and solutions are not only deaf or insensitive, but practically powerless—unless they get twisted into a full-fledged nationalist and authoritarian solution. The latter is an option that is now being actively pursued in many places, from Washington to Moscow, from Ankara to Budapest and Rome. It seems safe to argue, though, that such pursuit could only be truly effective—in the sense of game changing—only for very few, big, regionally hegemonic nations with huge market power: the US and China, perhaps the EU, if it were a united body and acted as such.

7 Conclusion

To conclude, all this points to what Daniel Rodgers defines as the “local dimension for a progressive recovery of the social.”² Scaling up at national and international level appears exceptionally difficult. Rodgers is right, I believe, to foresee that the market as dominant metaphor is likely to find its “ultimate fulfillment” in a future of continued fracturing and splintering of the political, with ample space for short-circuiting and downward spiraling. This also means that domestic politics is increasingly impelled to provide not answers to real problems (in terms of employment, income, economic security etc.), but compensatory responses on the grounds of symbolism. In the era of resurgent white

2. Daniel T. Rodgers, “L'età della frattura (e oltre),” *il Mulino*, 4 (2018), 703–710. The paper was presented in the International Workshop “Age of Fracture:” *Citizenship, Ideologies, Global Politics* organized in May 2018 by CISPEA (www.cispea.it) and the Department of Political and Social Sciences of the University of Bologna. See the full program here: <https://www.cispea.it/2018/12/09/international-workshop-age-of-fracture-citizenship-ideologies-global-politics/>.

nationalism, this means scape-goating on migrants and foreigners and, even small and possibly even large wars. Putin and Erdogan, Orban and Salvini are the most evident examples. But Brexit is no less instructive. Everyone—even the Brexiters themselves—now accept that the UK will be economically worse off outside the EU, yet proudly free to catch its own mackerels in the North Sea, or to use its own judges to expel undesirables.

Yet this fragmenting and splintering can also hit a ceiling, probably a pretty hard one, as the rise of antagonistic relationships in the international realm of states, particularly big states, will refashion the discourse and emotions of nationalism, re-engineer disciplines of hierarchical control and regimentation, and expand the reach of high-tech security states. The fracturing is ongoing, but it might be about to be reversed in authoritarian ways. At that point, it will be hard to fathom which option is the least unpalatable.

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