

E. H. Carr: a ‘historical realist’ approach for the globalisation era

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Abstract. Realist international relations scholars have approached the connection between economics and security in two ways. Cold War-era realists derived the national interest from the international balance of power, and assessed the utility of both military and economic instruments of statecraft. A second realist approach, advanced by E. H. Carr in his 1939 *The Twenty Years' Crisis*, places interstate competition in the context of another struggle over wealth and power in which no-one's primary concern is the national interest. That is the realm of capitalism (and resistance to capitalism). That deeper set of connections between economics and security was overlooked in Cold War IR literature, at considerable cost to our understanding of world politics. Understanding why Carr's ‘historical realism’ was bypassed can help pave the way for a more fruitful realist approach to comprehending a new era in world politics.

History must be our deliverer not only from the undue influence of other times, but from the undue influence of our own, from the tyranny of environment and the pressure of the air we breathe.

Lord Acton (1906)¹

Several retrospective assessments of the Cold War literature in International Relations (IR) have criticised the fields' lack of attentiveness to linkages between security and economics.² That critique takes two basic forms. The first shares a basic assumption of the literature it criticises: that the paramount ends of foreign policy can be derived from a state's position in the balance of power.³ An optimal ‘grand strategy’ would correctly identify those key objectives, and pursue them with the best available synthesis of political, military, and economic policies. From that perspective, the Cold War literature has been faulted for neglecting the role of economics in statecraft, for inattentiveness to the economic foundations of state power, and for its

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¹ E. H. Carr, *What is History?* (Middlesex, UK: Pelican Books, 1964), p. 44.

² See, for example, David A. Baldwin, ‘Security Studies and the End of the Cold War’, *World Politics*, 48 (October 1995); and Richard Rosecrance, ‘Economics and National Security: the Evolutionary Process’, in Richard H. Shultz, Jr., et al. (eds.), *Security Studies for the 21st Century* (Washington, DC: Brassey's, 1997); and Beverly Crawford, ‘Hawks, Doves, but no Owls: International Economic Interdependence and Construction of the New Security Dilemma’, in Ronnie D. Lipschutz (ed.), *On Security* (New York: Columbia University Press: 1995). Other works will be discussed below.

³ The most important contribution with this perspective, to be considered below, is Michael Mastaduno, ‘Economics and Security in Statecraft and Scholarship’, *International Organization*, 52:4 (Autumn, 1998), pp. 825–54.

consequent failure to grasp even the possibility of Soviet collapse. Security Studies in particular is blamed for its narrow preoccupation with the military dimension of statecraft, though international political economy might be equally faulted for general disinterest in the most pressing issue then confronting world politics: the deadly rivalry between the nuclear superpowers.

The second form of criticism begins with the assumption that grand strategy is itself a problematic concept, in part because it ignores ways in which economics is more than a source, or an instrument, of state power. From that viewpoint, the competition among states takes place in the context of another form of struggle over wealth and power in which no one's primary concern is the national interest. That is the realm of capitalism (and resistance to capitalism). States influence the nature and conditions of that struggle, but state goals and strategies are in turn shaped by shifting subnational and transnational economic forces.⁴ From that perspective, Cold War security scholarship, by rooting the superpower conflict either in geopolitics or in the very structure of a 'bipolar' world, never placed that conflict within the context of a changing world economy, in which opposing social forces struggled to determine how national economies would be organised, how wealth would be distributed, and whose interests the state would serve.

Adherents of both perspectives have similarly remarked on the inattention of Cold War scholarship to the relationship between security and economics, but they clearly mean two substantially different things. Likewise, analysts from each camp have observed a resurgence of interest in linkages between security and economics, and encourage (or predict) further progress along the lines of their preferred theoretical orientation to the study of IR. Finally, while both agree that there was far greater scholarly interest in connections between security and economics during the 1930s and 1940s, they differ over what precisely was set aside as the Cold War deepened.

Within the realms of both statecraft and scholarship, we are unquestionably experiencing resurgent interest in the relationship between economics and security. The current Bush Administration, pointing to the failure to integrate security and economic policies during the 1998 Asian financial collapse, has restructured the presidential advisory system to ensure high-level dialogue between economists and security specialists. At the same time, the divide between political economy and security studies has begun to crumble, as journals that specialised in either security or political economy have increasingly published scholarship that connects the two subjects.⁵

Today, as more intellectual capital is redirected toward considering relationships between economics and security, our confidence in the promise of a revived research

⁴ Critics of Cold War-era realism complain that its focus on the balance of interstate power ignores a variety of political, social, and economic factors that shape conceptions of grand strategy, and many add that realism's focus on material power overlooks the importance of ideas and institutions. However, I am referring here only to scholarship that situates security policies in terms of subnational and transnational economic forces, a literature that will be discussed in the third section of this article.

⁵ One can note for example, the recent Special Issue of *Security Studies* entitled 'Power and the Purse: Economic Statecraft, Interdependence, and National Security', 9:1,2 (1999/2000). The journal *IO* has increasingly published articles related to security, just as post-Cold War issues of *International Security* have increasingly included economic concerns. Some of these articles will be discussed in the third section of this article.

agenda warrants further reflection into what was neglected, as well as what future approach is best suited toward comprehending a new era in world politics. In this article, I will make the case for the second perspective outlined above, which E. H. Carr (perhaps its most famous pre-Cold War advocate) called 'historical realism'. However closely the foreign policies of the Cold War superpowers may appear explicable in geopolitical terms, I will argue that the broader realism depicted by Carr provides a more convincing and enduring framework within which to view that conflict. Further, it provides realism with better tools for analysing the security implications of an integrating world economy, rather than ignoring globalisation, or assuming its collapse,⁶ or declaring it illusory,⁷ and leaving the field to liberal or constructivist accounts.

My argument will be divided into three sections. The first section critically appraises the Cold War division of IR scholarship into the separate realms of security studies and political economy, taking as its starting point the recent historical interpretation of the Cold War literature on security and economics written by Michael Mastaduno. His article is particularly useful, both because it is the only comprehensive overview of that body of work, and because it offers intriguing arguments about what drives, and by implication, what should drive scholarship in IR.

The second section turns to E. H. Carr's contribution to pre-Cold War scholarship (though he continued writing well into the Cold War), which I use to outline a framework for broadly integrating economics and security. Carr linked balance of power rivalries to commercial and class conflicts, and analysed these factors in terms of the evolution of capitalism from the industrial revolution onward. Carr's broad approach to IR was shared by other important pre-Cold War non-Marxist intellectuals (like John Maynard Keynes and Karl Polyani). This is the perspective that was largely overtaken by the deepening Cold War, and which, I later argue, may prove increasingly useful in light of the historic advance of an integrated global market economy.

The final section briefly depicts ways in which the post-Cold War security environment has dramatised the need to integrate an understanding of the world economy into security analysis. Here, I argue that changes in the world economy, may be helping to liberate International Relations scholarship from some disabling constraints stemming—as Lord Acton put it—'from the undue influence of other times'. Ironically, the global triumph of capitalism may have increased interest in understanding linkages between market economics and conflict, even as it has allayed the queasiness of security experts in addressing some of the same questions that interested Karl Marx. To be more specific, a blurring of the lines between realist, liberal, and radical scholarship is stimulating the revival of the critical historical approach to international relations exemplified by E. H. Carr during the decade or so preceding the Cold War.

⁶ For some realists, swings between peaceful economic integration and war are part of the dismal repetitiveness of history. For example: 'We should also not forget that utopian fancies about the obsolescence of military power and national governments in a transnational, 'economic' era have blossomed before, only to be crushed by the next 'war to end all wars'. Robert Tucker, *Foreign Policy*, 111 (Summer 1998), p. 27.

⁷ For an argument by the leading state-centric realist that globalization is neither new nor central to the world security environment, see Kenneth Waltz, 'Globalization and Governance', *PS* (December 1999), pp. 693–700.

If that is the case, we are likely to see increasing attention paid to how a changing world economy will impact the future of warfare. That will include resurgent interest in the oldest claimed connection between economics and security: the role of disparities in wealth in fuelling conflict, and in shaping contending conceptions of national security. Some recent research is mentioned in order to illustrate that possible trend. I conclude with a brief consideration of the problem of our delivery 'from the undue influence of our own time'. If a shortsighted realism narrowed the study of linkages between economics and security during the Cold War, some liberals now reassert a fusion between expanding international commerce and peace. Several contributions to the inter-war literature on economics and security dissected that argument with an eloquence yet to be matched by today's critics of 'globalisation', and may help provide useful guidance for exploring the evolving linkages between economics and security.

Mastaduno's analysis and its limitations

Michael Mastaduno provides what is basically a structural realist account of the international system over the past half century, focusing on how US statecraft and international relations scholarship responded to a shifting geopolitical and geo-economic environment. In doing so, he traces the Cold War decline, and recent signs of re-emergence, of efforts to study the relationship between economics and security. In brief, he explains the decline and rise of linkages between economics and security (in US statecraft as well as IR scholarship) in terms of the Cold War balance of power between the superpowers on the one hand, and the United States and its chief Western allies on the other. Mastaduno identifies two post-war periods in which economics and security were seen as integrated concerns (roughly 1945–1955 and 1995–present). Sandwiched between is one period (from 1955 until the 1970s) in which the military—particularly the nuclear—dimension of security came to dominate IR scholarship; and a second (the 1970s and 1980s) in which security studies and international political economy thrived as separate subfields.

According to Mastaduno, the field's preoccupation with a narrow view of security corresponded to a time when US economic dominance and prosperity made the subordination of economic policy to security objectives affordable, even as the superpower nuclear competition placed a particularly high priority on the danger of war. (The capacity for mutual annihilation with a finite number of weapons, moreover, seemed to challenge the historical connection between economic and military power.) In the 1970s, the rise of Western Europe and Japan as economic competitors, along with the OPEC challenge, stimulated new attentiveness to economics, but, given the fact that the Soviet Union remained a competitor only in the security realm, economics and security could be pursued as separate agendas. The emergence of international political economy as a distinct subfield of IR corresponded to these developments. US dominance in the 1990s, Mastaduno concludes, has stimulated the reintegration of security and economics in statecraft, as the US effort to 'preserve its privileged position . . . requires its international economic strategy to line up behind and reinforce its national security strategy in relations with potential challengers'.⁸

⁸ Mastaduno, 'Economics and Security', p. 827.

On the heels of these new strategic priorities, IR scholars are beginning to re-examine the relationship between trade and peace, as well as the use of economic tools to advance foreign policy objectives.

Mastaduno's account is impressive. It makes sense of the evolution of a vast literature, and sensitises the reader to a set of incentives and constraints that surely have affected, and continue to affect, both statecraft and scholarship. Nothing that follows is meant to supplant Mastaduno's insights, which help stimulate greater consciousness of the objects and methods of IR research, and which nicely juxtapose realist pretensions to objectivity with a healthy dose of historical context. Yet for reasons to which I now turn, it does not go far enough.

In introducing the perspective that guides his literature review, Mastaduno maintains that:

[T]he nature of the international system has a strong impact on the way that IR scholars conduct their business . . . I try to show that scholarship responds to the particular features of the international environment, and that the resulting patterns become institutionalized in academic life.⁹

Since Mastaduno (throughout the article) relies on a structural realist conception of the 'international system', he is in a sense depicting the distribution of interstate power as an independent variable, which operates simultaneously, and similarly, on practitioners of statecraft and scholarship. The author characterises this hypothesis as a reflection on the 'sociology of knowledge'. But surely, as sociologists, we would want to understand the process by which scholars become interested in the same concerns as statesmen. From whence comes this harmony of interests?

Pursuing that question takes one quickly away from a structural realist preoccupation with state power, and towards inquiry into the nature of domestic power, including the distribution of wealth. For example, in a society riven by deep divisions among economic sectors, regions, or classes, in which the particular interests of those who held power were under challenge, one might expect scholars to assume a leading role in challenging prevailing formulations of the national interest. That was not the case in Cold War America, however, which was characterised by strong national cohesion, and notably, the absence of any serious internal challenge to the prevailing distribution of wealth, let alone to capitalism itself (then in its 'welfare state' configuration). In that context, there seemed little reason to consider the provisional nature of all economic relationships in a changing capitalist world economy, or critically to scrutinise the extent to which America's domestic harmony of interests extended to the rest of the world's inhabitants. Threats to American security, American values, American prosperity, and to capitalism itself could all be subsumed under the grand strategic umbrella of 'containment'.

With the passage of time, it may well seem increasingly odd that a Cold War competition whose historic origins lay in class divisions unleashed by the Industrial Revolution, and which would decide the fate of two radically opposed approaches to the organisation of human society, could be comprehended—at least by the scholarly community concerned with conflict—largely in terms of geopolitics. Nevertheless, so long as the Cold War persisted, structural realism seemed to provide the most concise explanation for some of its key features. The structure of interstate power

⁹ *Ibid.*, pp. 828–9.

was indeed bipolar, and, for those who wished to compare international politics to Hobbes' state of nature, the nuclear competition seemed the ultimate realisation of a world divided into states animated by reciprocal fear of sudden death. In hindsight, however, we know that the static term 'bipolarity' masked a growing gap between one state, which was strengthening its internal stability in a context of awesome economic dynamism, and another that was losing its cohesion and legitimacy in the face of repression and economic stagnation.

If one wished retrospectively to impose an explanation of the Cold War as concise as 'structural realism', and arguably more consistent with the resolution and aftermath of that conflict, it would be hard to find a better one than that offered by Karl Marx and Friedrich Engels in the Communist Manifesto:

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production. . . . In one word, it creates a world after its own image.¹⁰

While almost certainly more satisfying than realist explanations which ignore economic forces, one would have to extend that 1848 account to consider the connection, a century later, between geopolitical bipolarity and the more consequential struggle for power that Marx and Engels described. The most obvious is the rule by capitalists in one superpower and by the enemies of capitalism in the other. In fairness to Cold War realists, however, viewing the Cold War as a stage of global class struggle seems a less illuminating oversimplification than explanations in terms of bipolar competition. To reconnect these economic and geopolitical perspectives, it is helpful to draw on E. H. Carr's image (described in detail in the following section) of privileged groups struggling opportunistically to hold power against internal and external threats. That enables one to set aside presumptions about elite subscription to universal values, and focus on their respective 'grand strategies' for hanging on to wealth and power.

Thus, scholars of Soviet history have traced the slippery slope on which the Communist Party elite moved from an internationalist utopian vision of world revolution (and the 'withering away of the state') to placing a more realistic priority on 'socialism in one country'. From that point, it became easy to justify an international grand strategy based on geopolitics. After all, since the fate of global equality depended on the survival of the Soviet state, the preservation and expansion of state power was the essential precondition for the ultimate success of socialism. Not only was *realpolitik* to be the basis for national security against external enemies, the Party would also 'defend socialism' (that is, maintain its own privileged position) by crushing all possible opponents within the state.¹¹

Contrast the '*realpolitik*' of the 'privileged group' in the Soviet state, which failed externally to sustain its empire, and internally to preserve social cohesion and

¹⁰ Karl Marx and Friedrich Engels, 'Manifesto of the Communist Party', in Robert C. Tucker (ed.), *The Marx-Engels Reader*, 2nd edn. (New York: W. W. Norton, 1978), p. 477.

¹¹ For a brilliant depiction of the descent from a vision of universal socialism to national *realpolitik*, see Ernest Mandel, *Power and Money: A Marxist Theory of Bureaucracy* (London: Verso, 1992), especially ch. 3 on 'Substitutionism and Realpolitik' (pp. 103–52).

legitimacy, with the ‘realpolitik’ of American leaders.¹² Externally, the rationale for *realpolitik* was the mirror image of the Soviet one. Here, the prevailing reasoning was that the ultimate triumph of democratic capitalism required the defeat of the Soviet challenge, a goal that justified alliances with socialist elites like those ruling China and with a host of anti-Soviet dictators.¹³ Yet while external *realpolitik* resulted in the same sort of militarised geopolitics as that of their Soviet competitors, American leaders chose a very different approach when it came to coping with potential internal opposition to the state.

Domestically, a policy of suppressing the most troubling forms of dissent was coupled with sustained efforts to enhance national cohesion, thereby promoting a shared sense of what constituted ‘security’. As containment architect George Kennan recognized: ‘[T]he Russian attack, ideologically speaking... could be countered only by a movement on our part equally comprehensive, designed to prove the validity of liberal institutions, to confound the predictions of their failure, to prove that society not beholden to Russian communism could still ‘work’. . . . [I]t was not enough . . . to treat the communist attack as purely an outside one . . . [P]rimarily communism had to be viewed as a crisis of our own civilization, and the principal antidote lay in overcoming the weaknesses of our own institutions.’¹⁴

It is beyond the scope of this article to detail how the United States had already addressed successive challenges to the ‘validity’ of its ‘liberal institutions’, or how the Cold War itself stimulated economic and social policies that successfully strengthened national cohesion. It is worth recalling, however, that there have been several historical challenges to US internal cohesion. In the nineteenth century, a regional division of industrial and agrarian interests, whose respective fortunes were being reshaped by a changing international economy, had culminated in civil war. Following that conflict, a class-based challenge unleashed by deepening industrialisation was resolved by a series of twentieth century redistributions of wealth and power, notably in the form of concessions to organised labour and the institution-alisation of the welfare state. The last formidable socioeconomic hurdle to national unity occurred during the Cold War, as Southern resistance to the civil rights movement revived the spectre of national fragmentation.

US prosperity and the capacity of liberal institutions to increase economic equity on one hand, and Soviet economic weakness and domestic repression, on the other, freed American leaders to concentrate on Cold War statecraft. It did so by minimising the domestic resonance of Soviet (and other Marxist) claims that US ‘national security’ policy was a mask for the narrow economic interests of a power-

¹² Discarding their failed ideology, former members of the Communist Party *nomenklatura* throughout the post-communist world have chosen a more promising path toward enduring political power: acquiring control over former state enterprises and using that foundation to dominate the new market economy. See Daniel N. Nelson, ‘Democracy, Markets and Security in Eastern Europe’, *Survival*, 35:2 (1993), pp. 156–71.

¹³ Probably the most influential effort to justify United States *realpolitik* (and especially support for ‘authoritarian’ regimes) as necessary to the eventual global triumph of liberal values is Jeanne Kirpatrick’s ‘Dictatorships and Double Standards’, *Commentary* (November 1979), pp. 23–45.

¹⁴ US Department of State, *Foreign Relations of the United States 1950*, vol. 1 (Washington: Government Printing Office, 1977), pp. 163–4. Cited in Fred Block, ‘Economic Instability and Military Strength: The Paradoxes of the 1950 Rearmament Decision’, *Politics and Society*, 10:1 (1980). Of course, effective *realpolitik* since Bismarck has combined international assertiveness with efforts to strengthen social cohesion domestically.

ful capitalist elite. Mainstream IR scholarship, responding to the domestic no less than the international environment, followed suit. Yet, I will argue, there were serious costs—analytical and normative—for the widespread willingness of IR scholars to accept uncritically the assumption that one could derive the essence of foreign policy interests primarily from the distribution of interstate power. Specifically, four types of costs come to mind.

1. *Underestimating the awesome power of an integrating Western market economy in winning the Cold War.* It is a canon of structural realism that one must emulate successful competitors, or ultimately perish. All one need add is the insight (known by political economists from Adam Smith to Karl Marx) that free markets, coupled with open trade, would generate unrivalled economic growth. As Wilhelm Ropke (an author Mastaduno associates with the pre-Cold War synthesis of security and economics) wrote in 1942: ‘The situation of an isolated country engaged in a war against the powers standing for world economy is next to hopeless . . .’¹⁵ Yet pessimistic Cold War statesmen like Paul Nitze and Henry Kissinger, preoccupied with the Kremlin’s political moves and military preparations, sometimes all but denied that the economic contest mattered. Some leading IR scholars lent credence to that consequential misreading of the capacity of the Soviet Union to compete economically.¹⁶ In that scholarly environment, it took a decade beyond the end of the Cold War to produce the first serious scholarly exploration of the role of the internationalisation of capitalist production (that is, globalisation) in compelling Soviet withdrawal from the superpower competition.¹⁷

2. *Overlooking the possible role of economic conflict in shaping contending views of security.* To illustrate this problem, consider the following (simplistic) depiction of two possible historical outcomes of class struggle. In two countries (A and B), a new class of wealthy entrepreneurs has made fortunes from the arrival of industrialisation, even as the masses who work in their mines and factories, or who starve outside, are increasingly angry over their lot in life. The economically privileged use their wealth to gain control over their government, even as numerous engaged intellectuals denounce the situation in articles and books, while using the rest of their time to organise mass resistance. In Country A, the privileged group responds by declaring a threat to national security, and by mobilising its military and police to suppress violently dissident scholars and workers. The scholars, some of whom have trained themselves as military strategists, mount an armed campaign against the ruling elite. In Country B, the privileged group reacts instead with reforms: for example, legalising trade unions, providing for universal suffrage, the right to strike,

¹⁵ Wilhelm Ropke, *International Economic Disintegration* (New York: Macmillan, 1942), p. 105.

¹⁶ For a rendering of how US statecraft overlooked Soviet economic weakness, see Dana Allin, *Cold War Illusions: America, Europe and Soviet Power, 1969–1989* (New York: St. Martin’s Press, 1997). For a critique of Cold War security scholars’ insistence on the subordination of economics to security, see Baldwin, ‘Security Studies’, pp. 126–9.

¹⁷ Stephen G. Brooks and William C. Wohlforth, ‘Power, Globalization and the End of the Cold War: Re-evaluating a Landmark Case for Ideas’, *International Security*, 25:3 (2000/01), pp. 5–53. The authors persuasively document the overwhelming material pressure on the Soviet regime for retrenchment and rapprochement with the West. One might conclude from their evidence and analysis that changes in the world economy had rendered those reforms inherently inadequate, and that the only remaining possibility for regime survival was to embrace a transition to capitalism (as the Chinese Communist Party was to conclude during this period).

a national welfare system, and so on. Scholars are soon divided over whether to assist reform or continue to back revolution. Over time, the majority find themselves celebrating the state and its security, perhaps endorsing military campaigns to augment state resources, crush competitors, or even to suppress the handful of remaining internal dissenters.

That crude representation of elite options under early Western capitalism is not meant to imply the reappearance of open class warfare. It is meant instead to point out that IR scholars, including security scholars, need to be mindful of how the 'creative destruction' of capitalism has repeatedly opened schisms, including commercial rivalries, regional competition, class struggle, and interstate conflict, that sometimes result in war, and that a meaningful integration of security and economics will include attentiveness to these types of divisions.

3. *The assumption that Marxist political economy is as useless as Soviet Communism.* One could argue that this view would be well founded, given the poor quality of Cold War-era work by many Marxist writers on international relations, which often depicted the Cold War as purely the result of American economic imperialism, and offered tendentious economic analyses that repeatedly identified the 'final crisis of capitalism'. Nevertheless, it is of interest that in the wide world of social science, only the Cold War literature on international security is largely bereft of any meaningful indebtedness, or even familiarity, with Marxism. That was not true of pre-Cold War IR scholarship, nor true of the Cold War literature in international political economy.

4. *A willingness to allow anti-communism to poison academic life.* If a fringe of the political Left offered some foolish views during the Cold War, their excesses paled next to those of a Right for whom a critical view of capitalism implied treason. In the 1930s, E. H. Carr could forthrightly draw on Marx's contribution to a realist understanding of world politics, while criticising Marx's exclusive preoccupation with class, and his corresponding failure to anticipate the mass appeal of nationalism. During the Cold War that intellectual engagement, combined with a suspicious dovishness toward Moscow (that is, his call to accept the division of Europe), earned Carr professional marginalisation and the epithet of 'Red Professor'.¹⁸ In the United States, untold numbers of far more obscure dissident scholars disappeared, as they ran a particularly tough gauntlet from completion of their Ph.Ds to academic employment and promotion.¹⁹

In that context, Mastaduno's observation that 'scholarship responds to the particular features of the international environment, and . . . the resulting patterns become institutionalized in academic life', begs for elaboration. So too does his one comment on Marxism: 'Marxism . . . constituted a more sustained attempt at integration. Scholars working in [that tradition] long accepted as natural the

¹⁸ Charles Jones, *E.H. Carr and International Relations: A Duty to Lie* (Cambridge: Cambridge University Press, 1998), pp. 131–2.

¹⁹ See David Ricci, *The Tragedy of Political Science: Politics, Scholarship, and Democracy* (New Haven, CT: Yale University Press, 1984) and Thomas Bender, 'Academic Knowledge and Political Democracy in the Age of the University', in Thomas Bender (ed.), *Intellect and Public Life: Essays on the Social History of Academic Intellectuals in the United States* (Baltimore, MD: The Johns Hopkins University Press, 1997).

interaction of the capitalist world economy and political-military patterns. But Marxism never moved into the mainstream of the US IR discipline . . .²⁰ Does any scholar who lived through even part of the Cold War doubt the role of a national security establishment in supporting a mainstream of scholarship that accepted its core foreign policy objectives? Through such material incentives as research funding and consulting opportunities for insiders, through the psychic rewards of making friendly scholars feel 'relevant', and through marginalising dissenters, a government mobilised to confront a global enemy had ample tools to promote consonance between statecraft and scholarship.²¹

What has been the fate of these limitations on Cold War IR scholarship, as applied to the connection between security and economics? In one sense, the limitations persist, as recent realist literature on grand strategy simply presumes that the US will continue to behave as a unitary actor, responsive to changes in the interstate balance of power. Another literature, however, is emerging, which looks directly at the economic roots of security policies, including the roles of private commercial competition, class antagonisms, and the effects of transnational economic forces in shaping propensities for war. This new literature (to be reviewed in the third section), represents a challenge to the recent ascent of liberal and constructivist accounts of world politics, since it insists on grounding speculation into the role of ideas and institutions in serious (and methodologically prior) empirical inquiry into material incentives and constraints. Yet these new 'materialists' are also sharply critical of what they properly regard as Cold War realism's narrow equation of material factors with state power.

In that sense, the past half-century of IR scholarship has left the new pursuit of linkages between economics and security bereft of a coherent intellectual tradition. That has real intellectual costs, since these scholars have made little effort thus far to link their various strands of inquiry into a cohesive or productive research programme. In fact, they have a largely unrecognised intellectual lineage, one which gives them fairer claim to the mantle of realism than the state-centric offspring of that tradition that flourished in the heated atmosphere of superpower nuclear rivalry. Possibly the best single step toward restoring the broken link in the historical chain of realist thought is to resurrect the work, long since swept aside by Cold War-era approaches to IR scholarship, of E. H. Carr. It is to that end that the following section turns.

Security and economics in the work of E. H. Carr

Students of international relations are well aware of Carr's importance to twentieth century realism, since his *Twenty Years Crisis* brilliantly demolished the claims of a global 'harmony of interests' which had animated international relations theory, and

²⁰ Mastaduno, 'Economics and Security', p. 840.

²¹ For an autobiographical account of one IR scholar's journey from the realist mainstream to the critical theory fringe, see Ken Booth, *Security and Self: Reflections of a Fallen Realist*, in Keith Krause and Michael C. Williams (eds.), *Critical Security Studies* (Minneapolis, MI: University of Minnesota Press, 1997).

motivated—or at least rationalised—much of diplomatic practice during the inter-war years. The outbreak of World War II decisively vindicated Carr's scathing attack on the dangers of 'utopianism'. Realism's subsequent prescriptive appeal may have been inevitable, as World War II gave way to East–West conflict and the nuclear age, but Carr's work helped buttress claims that a realist theory could provide unsurpassed explanatory and even predictive power in international relations.

Carr's realism, however, bears only limited resemblance to the accounts of Cold War realist practitioners like George Kennan and Henry Kissinger, and almost none to the 'structural realism' of Kenneth Waltz, which came to dominate the academic literature on international security. Cold War realists were united in proclaiming an objective national interest rooted in geography and relative power, in stipulating the primacy of politics over economics, and in regarding human rights concerns as a potentially dangerous impediment to effective *realpolitik*. Carr, by contrast, argued that assertions of common interests were rationalizations (or deliberate propaganda) by the powerful, including elite proclamations framed in terms of the 'national interest'. Carr noted that what he called 'historical realism', in which history was seen as driven by 'some concrete force', had given rise to two equally significant objects of inquiry: the economic struggle between classes as depicted by Marx, as well as the geopolitical competition among states.²² Along with geopolitical analysis, Carr often situated domestic and international politics in terms of specific stages in the development of capitalism.²³ In short, he ridiculed the claim that 'the primary laws of history are political laws, economic laws are secondary'.²⁴

Carr's commitment to realism did not blind him to its shortcomings. Arguing that all theories must be understood in terms of the interests of their proponents, he pointed out that realism was intrinsically preferred by conservative defenders of the *status quo*. Carr's realist attack on international diplomacy was offered specifically as a corrective to the disastrous excesses of idealism by Western statesmen during the inter-war years. In the broader picture, however, Carr maintained that a political theory limited to realism was doomed to 'sterility', not only because it tried perniciously to undercut moral claims against oppression, but because it made the empirical error of ignoring the reality 'that mankind will in the long run always revolt against naked power'.²⁵ 'Political science', he concluded, 'must be based on a recognition of the interdependence of theory and practice, which can be attained only through a combination of utopia and reality'.²⁶

While Carr believed that the state would prevail over any alternative 'unit of power', he did so based on an assessment of specific instruments possessed by states during his lifetime. These he stipulated were themselves products of historical

²² Edward Hallett Carr, *The Twenty Years' Crisis, 1919–1939: An Introduction to the Study of International Relations* (New York: St. Martin's Press, 1961), p. 66.

²³ For example, in a passage tracing the changing impact of capitalism on power relations among classes, Carr depicts how the development of industrial capitalism challenged the universalist pretensions of *laissez-faire* economics: 'Once industrial capitalism and the class system had become the recognised structure of society, [laissez-faire theory] became...the ideology of a dominant group concerned to maintain its predominance by asserting the identity of its interests with those of the community as a whole'. *The Twenty Years' Crisis*, p. 44.

²⁴ Carr, *The Twenty Years' Crisis*, p. 116. Carr similarly dissected the 'illusory character of the popular distinction between economic and military power', p. 131.

²⁵ *Ibid.*, p. 235–6.

²⁶ *Ibid.*, p. 13.

developments—and hence potentially subject to change. Thus, Carr argued that while a sense of common interest was strongest in ‘face-to-face’ groups like family and friends, modern nations could evoke similar sentiments through the devices of a ‘uniform education, a popular national press, broadcasting and travel facilities, and a skilful use of symbols’.²⁷ To be effective, however, such means for promoting social cohesion had to be supplemented by a degree of genuine responsiveness to mass interests. Thus, when an organised working class challenged elite power during the late nineteenth century, the great realist leaders Disraeli and Bismarck forged the concept of the welfare state, to be financed in part by imperialist ventures.²⁸

Would the state endure in the form that then emerged? Wrote Carr: ‘The question whether the largest and most comprehensive power units must necessarily be territorial cannot receive a dogmatic answer applicable to all periods of history’.²⁹ Carr’s historical realism, then, would accommodate a reconsideration of the status of instruments of state cohesion devised a century ago, in the light of, for example, subsequent developments in the nature of production and finance, technological innovations in transportation and communications, and the geographic scope and penetration of capitalist markets. In short, Carr’s historical realism would not have flinched from examining globalisation, unburdened by reliance on empirically empty assumptions regarding state power and legitimacy,³⁰ or the prevalence of geographical imperatives over economic ones.³¹

Carr’s views, partially summarised above, can be reduced as follows to a few basic claims about politics, which together form the core of a ‘historical realist’ challenge to Cold War-era realism: Politics is driven by privileged groups which seek to preserve their wealth and power. Since medieval times, the territorial state has provided the crucial instrument for that purpose, so that securing control over one’s state against challengers within and without has been the highest objective. Domestic policy aims at social cohesion, while foreign policy aims to protect or extend the elite’s acquisitive reach. Both policies are pursued simultaneously through whatever mixture of coercion, propaganda, and concession seems most suited to the evolving balance of power (internal and external) and available means of control.

Within that framework, specific unfolding struggles for power can only be understood in terms of historical forces, among which capitalism has played a critical role. Capitalist market forces have endlessly stimulated new technologies and forms of production, which have changed the nature and scope of control over territory, shifted advantages to different individuals, industries, or locations (both within and between nations), and provided the framework for shaping the struggles which have determined whose interests are served by political power.

²⁷ *Ibid.*, p. 163.

²⁸ *Ibid.*, p. 227.

²⁹ *Ibid.*, p. 228.

³⁰ Kenneth Waltz, in his influential *Theory of International Politics* (London: Addison-Wesley, 1979), p. 103, endorses Max Weber’s stipulation that the distinguishing feature of state sovereignty is a government’s monopoly on the legitimate use of force. He ignores, however, Weber’s (and all other) explorations of the historic, economic and sociological foundations of legitimacy. Indeed, Waltz’s entire discussion of what constitutes legitimacy, is that ‘a government, ruling by some standard of legitimacy, arrogates to itself the right to use force’.

³¹ For a structural realist like Waltz, the geographic imperative dictates the economic injunction to ‘take care of yourself’ (that is, avoid economic dependence on other states). A more sophisticated strand of realism, particularly the ‘hegemonic stability’ school, relates capacities and preferences for economic interdependence to changes in the global distribution of interstate power.

By shifting from states to ‘privileged groups’ as the ultimate source of material objectives, key conceptions of modern statecraft become susceptible to definitions that decision-makers might not like. For example, one might stipulate that ‘grand strategy’ refers to that dimension of elite planning that utilises foreign policy to advance their particular interests. The ‘national interest’ refers to whatever domestic ideology seems best suited to maintaining social cohesion and support for grand strategy (for example, nationalism, anti-Communism, *laissez-faire* economics, universal human rights, and so on)³² A subset of the national interest, ‘national security’ is invoked whenever an elite anticipates that coercion may be necessary in order to hold on to (or to enhance) power.

Against all of these particularist ideologies (or universalist ideologies masking narrower elite objectives), however, are arrayed ‘utopian’ visions which may even captivate elements of the elite itself. Such visions of universal justice, if they resonate with prevailing popular aspirations, may allow mass movements to form as if out of thin air, mobilising adherents to fierce resistance or rebellion, and making a mockery out of all grand strategies premised purely on ‘realist’ indices of material power.

I would suggest that these realist propositions (notwithstanding the ‘utopian’ caveat), can help identify circumstances in which the premise of a reified state with inherent interests becomes irrelevant or misleading. At the same time, by preserving realism’s emphasis on material interests, it can ground otherwise open-ended speculation into whichever ideas, norms, cultures, psychological conflicts, and so on, one might arbitrarily invoke as explanations.³³ Carr would have called for expanding ‘structural realism’s’ agenda by demanding assessment of three ‘balances’ in addition to the balance among great powers: power relations among elites with contending interests, power relations between elites and masses³⁴, and the extent to which territorial states compete with other possible instruments of political/economic

³² “The doctrine of the harmony of interests . . . is the natural assumption of a prosperous and privileged class, whose members have a dominant voice in the community and are therefore naturally prone to identify its interest with their own. . . . The doctrine of the harmony of interests thus serves as an ingenious moral device invoked, in perfect sincerity, by privileged groups in order to justify and maintain their dominant position”. Carr, *The Twenty Years Crisis*, p. 80.

³³ Andrew Moravchik and Jeffrey Legro have recently argued that the key point of distinction between realist and liberal theories is that the former regard states as unitary actors (whose preferences are determined by their relative power), while the latter emphasise that state preferences (if not behaviour) are shaped by domestic factors. The problem with that categorisation is that it awards the appellation ‘realist’ to a handful of state-centric theorists like Kenneth Waltz, while excluding nearly the entire realist pantheon of theorists and practitioners (Machiavelli, Richelieu, Disraeli, Bismarck, Stalin, Kennan, Kissinger, and so on) for whom the manipulation of domestic politics was deemed as fundamental to exerting power as international behaviour. While many liberals have certainly recognized the importance of power, the tradition has always been simultaneously concerned with normative ideas (such as individual and collective rights) and institutions (for example, republican government, market economies, leagues of nations) that can harness competition, resolve conflict, and maximise (some conception of) human freedom. Realists (whatever their normative preference as individuals) believe that the balance of material power and its strategic application are what ultimately drive—and therefore explain—politics. See Andrew Moravcsik, ‘Taking Preferences Seriously: A Liberal Theory of International Politics’, *International Organization*, 51:4 (Autumn 1997), pp. 513–53; and Jeffrey W. Legro and Andrew Moravcsik, ‘Is Anybody Still a Realist?’ *International Security*, 24:2 (Fall 1999), pp. 5–55.

³⁴ Those who would question the realist credentials of one concerned with this issue might note that the struggle between elites and masses was a central concern of Machiavelli’s *The Discourses*. See John P. McCormick, ‘Machiavellian Democracy: Controlling Elites with Ferocious Populism’, *American Political Science Review*, 95:2 (June 2001), pp. 297–313.

control. Moreover, Carr's historical perspective would include inquiry into the economic forces that have historically reshaped struggles for power. Was the level of complexity demanded by Carr justified? The answer would depend on the extent to which the issue one seeks to understand demands a more textured analysis than slicing the world into territories and measuring the wealth and weaponry contained within.

During the Cold War era, mainstream IR scholarship retreated from applying the broad approach in which Carr had considered linkages between economics and security, in favour of an agenda consistent with the preoccupations of statecraft during the Cold War. Security Studies not only stopped paying attention to how subnational and transnational economic factors can shape the nature of conflict, it even largely set aside realism's geopolitical concerns with connections between the wealth and power of states. As the shadow of the Cold War recedes, and with it our preoccupation with superpower military competition, more research is being devoted to linkages between economics and security. But will reintegration be limited to a resurrection of the economic dimension of grand strategy, as scholarship within a now hegemonic United States reconfigures itself to better serve statecraft? Or is the changing context of world politics drawing scholars to explore connections between geopolitics and the even more Darwinian struggle over wealth and power that occurs in the market, whose protagonists may view states alternatively as instruments of control, as arenas for combat with business rivals or workers, or as impediments to private ambitions whose scope ranges from the local to the global?

Back to the future: understanding the relationship between globalisation and security

A brief sampling of the post-Cold War IR literature can demonstrate that Mastaduno did not sufficiently recognise the extent to which scholarly interest has broadened from its emphasis on the international balance of power. In a succession of steps, it has moved from interest in non-economic domestic forces, toward a reawakening concern with the sorts of economics and security linkages which E. H. Carr's work exemplified.

Initially, the disappearance of the Soviet Union sent shock waves through the field of International Relations, and particularly the subfield of Security Studies. Scholars and practitioners struggled to assimilate the fact that the international security environment had been transformed by events that were scarcely related to what the field had regarded as central: the balance of interstate military power. Instead, a decisive factor had proven to be 'the forgotten dimension of strategy': the social base on which elites must rely for support of actions taken in the name of national security.³⁵ The fate of the Soviet Union represented a striking failure to take into account this social dimension of power, as key elements of Soviet society lost interest in further sacrifices in support of long-prevailing conceptions of the 'national interest'.

³⁵ Michael Howard, 'The Forgotten Dimension of Strategy', *Foreign Affairs*, 57: 5 (Summer 1979), pp. 975–86.

Post-Soviet security studies has not ignored that lesson. Concern over how the nature of societies affects the security policies of states unites many of the new approaches to studying security. That includes the 'democratic peace' debate, and the field's effort to grapple with the security implications of various forms of group identity, whether assessed in terms of culture, ethnicity, or nationalism. These new focuses of empirical inquiry have been coupled to the growing prominence of methodological approaches in which security is seen as derivative of social forces—most notably under the rubrics of social constructivism and new efforts to elaborate liberal theories of international politics.

Having opened the door to considering the social dimension of such security concerns as threat perception, strategic objectives, and propensities toward interstate aggression and civil war, Security Studies has begun to take an important further step: the recognition that economic forces can be a more fundamental trigger for conflict than the structure of government or cultural factors. Once taken, that step points toward a reunification of security studies and political economy. In short, there are signs of a return to the broad perspective that predated the Cold War.

It is noteworthy that two recent contributions emphasising economic causes of conflict come from the Brookings Institution, which epitomises the foreign policy mainstream. Yahya Sadowski has brilliantly rebutted the sizeable literature claiming that the end of the Cold War has unleashed a new wave of ethnic or religious conflicts, and effectively argued that the only consistently observable factor in the culture wars of the past half century is that they are dramatically less lethal in prosperous countries than in poor ones.³⁶ Writing in great detail about one such case, Susan Woodward showed that the force driving Yugoslavia into ethnic conflict was economic, a process that proceeded from the 1973 oil price shock, to growing national debt, to IMF-imposed austerity measures, to a calamitous internal redistribution of wealth, culminating in new political antagonisms that tore the country apart.³⁷

If attentiveness to socioeconomic factors in causing and deepening conflicts is increasing in mainstream foreign policy analyses, it is also reappearing in broader theoretical approaches to international relations. Particularly noteworthy is David Rowe's look at the complex interaction between European economic integration and the slide toward World War I. Rowe links growing economic ties to a redistribution of interests domestically, resulting in the strengthening of organised labour and leftist anti-militarism, even as the diversion of both labour and capital into the market economy made military preparations increasingly costly. He then connects these changes to the growing pressures on elites to plan short-war strategies and prepare for pre-emptive attack.³⁸

³⁶ Yahya Sadowski, *The Myth of Global Chaos* (Washington, DC: The Brookings Institution, 1998).

³⁷ Susan L. Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington, DC: The Brookings Institution, 1995). For another analysis of the war in Bosnia that stresses economic factors associated with globalisation, see Mary Kaldor, *New and Old Wars: Organized Violence in a Global Era* (Stanford, CA: Stanford University Press, 1999).

³⁸ David M. Rowe, 'World Economic Expansion and National Security in Pre-World War I Europe', *International Organization*, 53:2 (Spring 1999), pp. 195–231. Robert Cox has promoted an approach to integrating economics and security that is consistent with (and perhaps indebted to) that of Carr. See especially his 1993 'Production and Security', reprinted in *Approaches to World Order* (Cambridge: Cambridge University Press: 1996), pp. 276–95.

While Rowe looks at the security implications of economic integration as it broadly strengthens or weakens the owners of particular factors of production, Peter Trubowitz has looked at how specific regionally-clustered economic interests in the United States have struggled historically for self-interested national security policies, so that expressions of the national interest and grand strategy substantially reflect the political clout of particular regional economies.³⁹ Finally, others have looked at the changing nature of production as critical both to shaping elite conceptions of Cold War-era grand strategy, as well as strategies for averting challenges by lower social strata.⁴⁰

What these authors have not yet done is systematically to compare past periods of economic integration (that is, the pre-World War I period, the Cold War) with the current stage of what is now truly a worldwide capitalist economy. Has the collapse of communism, coupled to a revolution in communications and information processing (which Marx could scarcely have imagined) yielded unfolding qualitative changes, changes which require modifying insights into economics and security drawn from past cases? As scholars in political economy and international security move toward a more unified research agenda, IR scholarship will be better able to address the 'globalisation debate'—in ways that go beyond arguments by realist veterans of the Cold War that nothing is new, or liberal proclamations that expanding commerce has finally tipped the scales in favour of world peace.

Will the domestic forces which sustained American strategy (and the corresponding geopolitical theory of national security) during the Cold War years continue to do so indefinitely? If so, then there is no need for efforts to situate national security policy in terms of a struggle for wealth and power by privileged groups at the subnational, state, and global level. These forces have always been in flux, however, and power shifts at all three levels have been implicated in the armed struggles of the past century. Analysts of globalisation have now proposed a host of arguments associating changes in the world economy with prospects for future conflict⁴¹ (even as they have differed over the extent to which we are in a transformative phase of world politics).

To illustrate the salience of globalisation to the study of conflict, one can note the revolutionary expansion, since the 1980s, in the speed and volume of global financial flows.⁴² Only after a series of 'runs on countries' precipitated the Asian

³⁹ Peter Trubowitz, *Defining the National Interest* (Chicago, IL: University of Chicago Press, 1998).

⁴⁰ For an analysis of how changing forms of production in the West undercut Soviet grand strategy, see Brooks and Wohlforth, 'Power, Globalization and the End of the Cold War'. For the impact on changing forms of production on American strategy, see Benjamin O. Fordham, 'Economic Interests, Party and Ideology in Early Cold War era U.S. Foreign Policy', *International Organization*, 52:2, pp. 359–96; and Mark Rupert, *Producing Hegemony: The Politics of Mass Production and American Global Power* (Cambridge: Cambridge University Press, 1995).

⁴¹ See, for example, Benjamin Barber, *Jihad vs. McWorld* (New York: Times Books, 1995). For a review of how backlashes against globalization may lead to violence, see Thomas Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York: Farrer, Straus, Giroux, 1999), pp. 307–47.

⁴² Thus, between 1986 and 1998, the average daily global trading of currencies has expanded from less than \$200 bn to more than \$1.4 trillion. Trading in financial derivatives (which increase the risk of transactions) went from zero in 1987 to \$18 trillion in 1997. Mutual fund investments in 'emerging markets' went from less than \$1 bn in 1991 to more than \$20 bn after 1995. Overall, \$93 bn in foreign capital poured into five Asian countries alone (Indonesia, Malaysia, the Philippines, South Korea and Thailand). For these and a host of other statistics (on the purchasing of foreign stocks, and so on), see *The New York Times* series of articles on 'Global Contagion', 15–18 February 1999.

financial crisis in mid-1997, did it become clear that rapid, subterranean decisions by what Thomas Friedman has labelled 'the electronic herd' could threaten the internal stability of countries like Indonesia and Russia. Indeed, Indonesia's financial crisis precipitated outbreaks of inter-ethnic and inter-religious violence, the collapse of the Suharto regime, and the possible beginnings of the unravelling of the state.

It was also instructive how this US 'national security' policy had been crafted. On one hand, the global removal of impediments to such capital flows had been a strategic goal of United States leaders starting with the Reagan Administration, part of the more general objective of breaking down all global barriers to trade and investment. On the other hand, the policy was designed and implemented with no input from the institutional centres of Cold War foreign-policymaking. As the *New York Times* later reported on the confusion within those institutions as panic spread in Asia: 'The State Department missed its cues because, historically, it had focused on the threats from Communists who carry grenades, not on the threats from business executives who wear neckties and trade currencies. The same was true of the Central Intelligence Agency, which proved itself, in the words of one of its top officials, "completely unprepared to deal with questions of an economic nature".'⁴³ A year later, former Clinton Administration Secretary of Labor Robert Reich would write: 'America used to have a real foreign policy . . . and an apparatus for setting it: a State Department run by people knowledgeable about the politics and societies of places around the globe, as well as a national security adviser and congressional foreign affairs committees. But now our foreign policy depends largely on global flows of money, and our apparatus for influencing them is almost totally removed from democratic oversight.'⁴⁴

Debate over the implications of the kind of 'globalisation' associated with the Asian crisis goes at least as far back as 1933, when John Maynard Keynes wrote a prescient article on what was then a comparatively minute phenomenon. Here, he noted that traditional trade and foreign investment in enterprises that were managed by citizens of the home country 'was not economic internationalism remotely resembling in its essence the part ownership of a German corporation by a speculator in Chicago, or of the municipal improvements of Rio Janeiro by an English spinster'. As for the latter:

There may be some financial calculation which shows it to be advantageous that my savings should be invested in whatever quarter of the habitable globe shows the greatest marginal efficiency of capital or the highest rate of interest. But experience is accumulating that remoteness between ownership and operation is an evil in the relations among men, likely or certain in the long run to set up strains and enmities which will bring to nought the financial calculation.⁴⁵

The possible realisation of that early warning by Keynes should be seen in conjunction with other concerns expressed about globalisation. Perhaps the most discussed criticism is that the progressively more potent threat of capital flight is both undermining the bargaining power of labour, and robbing the capacity of even

⁴³ 'World's Markets: None of Them an Island', *The New York Times*, 17 February 1999.

⁴⁴ 'The Real Policy Makers', *The New York Times*, 29 September 1998, p. A31.

⁴⁵ 'National Self-Sufficiency', *The Yale Review*, 22:4 (June 1933), pp. 757-9.

large states to redistribute wealth in the interests of social stability.⁴⁶ These aspects of globalisation, all combined, potentially challenge nearly every major underpinning of the United States national security interest that was articulated and supported during the Cold War.⁴⁷ It is worth studying whether ‘privileged groups’ who once regarded their material interests as dependent on a cohesive state, may now see their pursuit of wealth as consistent with the destruction of the social base of state power and cohesion.⁴⁸ To the extent they so believe, they may well be wrong, as domestic and international forces bring their financial calculation to nought. Yet, given the possible consequences for stability and peace stemming from the somewhat obscure sources of current policymaking, scholars interested in conflict certainly should evaluate whose interests are most successfully representing themselves as ‘the national interest’.

Scholarly arguments that globalisation is unambiguously in the national interest come from liberals, who regard American power as a springboard for the global spread of capitalism, democracy, and liberal human rights.⁴⁹ Unfortunately, that stance brings us full circle back to E. H. Carr’s assault on the utopian notion of a national and global ‘harmony of interests’ during the inter-war years. Here, it is worth repeating a portion of his characterisation of the British *laissez-faire* liberals during the nineteenth century:

The predominance of the manufacturer and the merchant was so overwhelming that there was a sense in which an identity between their prosperity and British prosperity as a whole could be correctly asserted. . . . Nevertheless, the doctrine of the harmony of interests and of solidarity between the classes must have seemed a bitter mockery to the under-privileged worker, whose inferior status and insignificant stake in ‘British prosperity’ were consecrated by it. . . . The same analysis may be applied to international relations. British . . . statesmen, having discovered that free trade promoted British prosperity, were sincerely convinced that . . . it also promoted the prosperity of the world as a whole. British predominance in world trade was at that time so overwhelming that there was a certain undeniable harmony between British interest and the interest of the world. British prosperity flowed over into other countries, a British economic collapse would have meant world-wide ruin. . . . Nevertheless, this alleged international harmony of interests seemed a mockery to those under-privileged

⁴⁶ A recent Wall Street Journal column, celebrating the decision by the French employers’ association, Medef, to pull out of France’s ‘social partnership’ of government, employer and labour union management of national welfare programmes, argued the following: ‘Those safety nets were a product of social compacts between states, corporations and labor unions, designed to ward off communism. . . . The old national arrangements are in direct conflict with the new pressures [stemming from world economic integration]. French CEOs who want to be international players can hardly give their primary loyalty to state and union partners . . .’ ‘Corporate Ties to the State Begin to Unravel in Europe’, *The Wall Street Journal*, 25 January 2000, p. A19. For analysis of the dangers of this trend, see John Gerard Ruggie, ‘At Home Abroad, Abroad at Home: International Liberalisation and Domestic Stability in the New World Economy’, *Millennium: Journal of International Studies*, 24:3 (1994), pp. 507–26.

⁴⁷ Cox argues that ‘[p]ost-Fordism deprives the national entity of its social unity; ideologically, it can substitute only a jingoism empty of social content’. ‘Production and Security’, p. 286.

⁴⁸ In this regard, it is worth noting that after a decade of economic growth in the United States, ‘[t]he gap between rich and poor has grown into an economic chasm so wide that this year the richest 2.7 million Americans, the top 1 percent, will have as many after-tax dollars to spend as the bottom 100 million’. *The New York Times*, 5 September 1999, p. 14.

⁴⁹ See for example, David Rothkopf, ‘In Praise of Cultural Imperialism?’ *Foreign Policy*, 107 (Summer 1997), pp. 38–53; Strobe Talbott, ‘Democracy and the National Interest’, *Foreign Affairs*, 75:6 (1996), pp. 47–63.

nations whose inferior status and insignificant stake in international trade were consecrated by it. The revolt against it destroyed that overwhelming British preponderance which had provided a plausible basis for the theory.

Carr would no doubt ask today's liberal internationalists to document their basis for equating globalisation with the American national interest. As the above quotation suggests, there are two broad elements to such a question. The first concerns the liberals' assumption (however sincere) that there is an American 'state', or a government, or a citizenry, that will enduringly support their view that the instruments of state power should be directed to supporting their vision of global economic integration. The second concerns whether what today remain subnational power struggles against globalization will be transformed (in the context of specific conditions internal to different states) either into civil or even international wars. The final question that a commentator on the 1930s might ask is whether the current form of economic integration could collapse completely, precipitating a global descent into depression, hypernationalism, and war—that is, a world which might allow 'structural realists' to say: 'I told you so' (despite offering no insight as to why it happened or how it could have been avoided).⁵⁰

'Historical realists' like E. H. Carr, however, would refrain from assuming some kind of cyclical movement between apparent progress toward a Smithian vision of global harmony, and the Hobbesian nightmare of some new fight to the death on a global scale. They would not assume that globalisation is American in the sense that the nineteenth century system of trade was British. They would also consider whether the domestic revolts which then created the 'social service state' are feasible in today's world, given the new dimensions and scale of the threat of capital flight, and if not, what new forms organised rebellion might take. They would similarly assess prospects for repetitions of national revolts comparable to the tidal wave of forces that hobbled 'globalisation' in the 1930s, unleashing, among other things, the anti-colonial wars that reshaped the post-World War II world. In assessing the overall prospects for the success or failure of the globalisation project this time around, they would consider how the interests and power of supporters and opponents of liberal internationalism are affected by ongoing changes in communication, forms of production, and other factors which substantially affect how, where, and by whom, wealth and power are being acquired.⁵¹ In doing so, they would examine in detail such phenomena as the globalisation of the defence industry, the re-emergence of mercenary armies (this time in the form of transnational corporations), and the expansion of transnational crime.

⁵⁰ A recent article that takes an important step beyond reflexive realist pessimism or liberal optimism on this question is Dale Copeland, 'Economic Interdependence and War: A Theory of Trade Expectations', *International Security*, 20:4 (Spring 1996), pp. 5–41. Copeland uses cases studies to stress the importance of preserving reliable expectations of future trade as critical to avoiding descents from economic integration to war. See also Edward D. Mansfield and Jon C. Pevehouse, 'Trade Blocs, Trade Flows, and International Conflict', *International Organization*, 52:4 (2000), pp. 775–808.

⁵¹ Once possible change between global economic integration before and after World War I concerns the changing pattern of global production, which, it has recently been argued, has substantially reduced material incentives for conquest. See Stephen G. Brooks, 'The Globalization of Production and the Changing Benefits of Conquest', *Journal of Conflict Resolution*, 43:5 (1999), pp. 646–670. A similar conclusion (though with less detailed analysis of specific changes in global production) was reached by Richard Rosecrance in 'The Rise of the Virtual State', *Foreign Affairs* 75:4 (1996), pp. 45–61.

The fact that there is in fact an incipient literature which looks at all of these subjects, in ways that suggest linkages between economics and security that would have been very familiar to E. H. Carr, suggests that the post-Cold War IR literature may not be simply following the 'grand strategy' orientation suggested by Mastaduno.⁵² Instead, scholars are tending to qualify the prevailing Cold War era conception of states as unitary actors whose interests are largely determined by geography and relative power, and to situate prevailing views of grand strategy in terms of domestic and transnational economic forces. To the extent globalisation spins new webs of transnational and subnational power relations, grand strategy is likely to be an increasingly contested concept.

If we return to Carr's observation that every theory, including realism, must be explained in terms of the political interests of its supporters, one may detect a sense in which experts on international security find themselves in a quandary that they escaped so long as the Cold War persisted. If the American or transnational elites who benefit most from globalisation prove durably victorious over their opponents (domestically and internationally), then realist insistence on a geopolitical definition of the national interest will fall increasingly on deaf ears. Such 'state-centric' realists will then be in the strange position not only of mistaking the 'balance of power', but eventually of defeating even their personal interest in providing valued advice to policymakers. Indeed, as leaders (both elected and those less visible) among the Western powers comb the world, insisting that recalcitrants bow to 'the imperatives of the world market economy', various post-Cold War 'realist' appeals that America 'come home' to become an 'offshore balancer' currently have the same hollow ring as isolationist appeals by the radical left during the Cold War.⁵³

To the extent globalisation is not triumphant but deeply contested, scholars with a realist orientation will face a true dilemma. In the context of a bitter debate over the national interest that cannot be ignored, realists—whether lodged in academia or deeply engaged in politics—will have to choose whose interests they wish to advance. As Alan Tonelson depicted the prospect of such a cleavage in conceptions of the national interest: 'Precisely because its effects are distributed in such a wildly uneven, frequently shifting manner, globalization raises serious questions about America's future as a cohesive, successful society—about American nationhood itself . . . [G]lobalization could represent the greatest challenge to national unity since the civil war.'⁵⁴ Indeed, a divide among realists is already perceptible. Thus, the president of Kissinger Associates embraces globalisation (even while acknowledging that its impact is substantially anti-democratic),⁵⁵ while Samuel Huntington denounces

⁵² On the globalisation of the defence industry, see for example: Crawford, 'Hawks, Doves, but no Owls', pp. 149–86; Ann Markusen, 'The Rise of World Weapons', *Foreign Policy*, 114 (Spring 1999), pp. 40–51, and the *Final Report of the Defense Science Task Force on Globalization and Security*. On the re-emergence of mercenary armies, see David Shearer, 'Outsourcing War', *Foreign Policy* 112 (Fall 1998), pp. 69–81, and Simon Sheppard, 'Foot Soldiers of the New World Order: The Rise of the Corporate Military', *New Left Review*, 228 (March/April 1998), pp. 128–39.

⁵³ See, for example: Christopher Layne, 'The Unipolar Illusion: Why New Great Powers Will Rise', *International Security*, 17:4 (Spring 1993), pp. 5–51; and Eugene Gholz, Daryl G. Press, and Harvey M. Sapolsky, 'Come Home, America: The Strategy of Restraint in the Face of Temptation', *International Security*, 21:4 (Spring 1997), pp. 5–48.

⁵⁴ Alan Tonelson, 'The Great American Non-Debate', *Current History* (November 1997), p. 359.

⁵⁵ David Rothkopf, 'Cultural Imperialism'. In a New York Times column, Rothkopf described how a Chilean presidential candidate faced two groups of 'voters', his own people and the financial elite of Wall Street. 'Whistle Stops On Wall Street', 15 May, 1999.

America's global economic strategy, proclaiming that the national interest has been subverted by American corporate greed.⁵⁶ How is a 'grand strategist' to choose?

First, the premise that power decides, or should decide everything, is of no help. As Carr aptly put it: 'While . . . the utopian treats purpose as the sole ultimate fact, the realist runs the risk of treating purpose merely as the mechanical product of other facts. If we recognise that this mechanisation of human will and human aspiration is untenable and intolerable, then we must recognise that theory, as it develops out of practice and develops into practice, plays its own transforming role in the process'.⁵⁷ 'If . . . it is utopian to ignore the element of power, it is an unreal kind of realism which ignores the element of morality in any world order'.⁵⁸ As to the substance of Carr's own 1939 effort to reconcile realism and utopianism: 'We cannot return to pre-1939 world. . . . Frank acceptance of the subordination of economic advantage to social ends, and the recognition that what is economically good is not always morally good, must be extended from the national to the international sphere'.⁵⁹

A new generation of international relations scholars appears to be relaxing some of their seniors' emphasis on the 'state' as the wellspring of power and purpose. In doing so they are in effect posing the questions: security for whom and security for what? Unless one adopts the wholly cynical view that the purpose of IR expertise is to serve the interests of powerful people (thereby dropping any claim to offer a 'theory' of anything), the only enduring compass for choosing who and what is to be secured is a moral one. One currently popular vision combining realism and morality is that states (or other instruments of governance) exist primarily to defend property rights, a view traceable to Adam Smith in *The Wealth of Nations*: 'Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all'.⁶⁰ An alternative view is that a global resurgence of that vision of security (under the banner of a neoliberal harmony of human interests) could stimulate a myriad of conflicts, which prospectively pose a serious threat to the security of the world's inhabitants. In an age characterised by the 'privatization of the means of destruction',⁶¹ scholarly inquiry into the relationship between economics and security needs to be guided not only by analysis of the material capabilities and interests of the most powerful actors at every level of world politics, but by an ethical vision of the ends of international politics.

⁵⁶ Samuel Huntington, 'The Lonely Superpower', *Foreign Affairs*, 78:2 (1999), pp. 35–59.

⁵⁷ Carr, *The Twenty Years Crisis*, p. 13. In this sense, it should be noted that Carr can be associated with the social constructivist tradition. What distinguishes him from those who currently adopt that label, however, is that Carr insisted on rooting ideas in material conditions. One could add that Carr's depiction of the relationship between material forces and ideas (realism and utopianism) is closely related to the critical theory tradition linked to the Frankfurt School (as is Carr's belief in the possibility of historical progress toward social justice). It is of interest that Carr was heavily influenced by the sociologist Karl Mannheim, who was a professor at the Institute at which Paul Horkheimer and others developed the critical theory offshoot of Marxism. For a discussion of those linkages in the context of an overall intellectual history of Carr, see Charles Jones, *E. H. Carr* (n. 18 above).

⁵⁸ Carr, *The Twenty Years Crisis*, p. 235.

⁵⁹ *Ibid.*, p. 238–9.

⁶⁰ Adam Smith, *The Wealth of Nations* (Chicago, IL: University of Chicago Press: 1976), vol. 2, p. 236.

⁶¹ Eric Hobsbawm, *The Age Of Extremes: A History of the World, 1914–1991* (New York: Vintage Books, 1996), p. 560.