

## CHURCHILL AND INTERNATIONAL ORDER

John M. Owen IV

Fourth Annual Winston Churchill Memorial Lecture

Instituto de Estudos Políticos, Universidade Católica Portuguesa

Palácio da Cidadela de Cascais

September 20, 2018

It is an honor to be here in this historic place, in such distinguished company, to mark the beginning of a new academic year for this unique institution – an institution that is important not only to Portugal but to the wider world. Let me begin by thanking my hosts: His Excellency, President Rebelo de Sousa; the Institute for Political Studies at the Catholic University of Portugal; the many sponsors of this event; and in particular Professor João Carlos Espada, my former Virginia colleague Professor Bill Hasselberger, and Daniela Nunes.

This is my first visit to Portugal, and the hospitality everyone has shown to my daughter Alice and me in this beautiful country has been something we will not forget. I'm sure I'm not the first visitor to wonder why all of those explorers memorialized at Belém wanted to leave Portugal – I think you have it all here!

Distinguished guests, ladies and gentlemen: Out of many decades of memorable oratory by Winston Churchill, the speech that many the world over best remember is his 'finest hour' address, delivered during the Fall of France – on June 18<sup>th</sup>, 1940 -- to the House of Commons, and later that evening over the BBC. This is the speech in which Churchill urged his countrymen, in a way that no one else could, to defy Hitler even if France was unable to. "If we can stand up to him," to Hitler, WSC said, "all Europe may be free and the life of the world may move forward into broad, sunlit uplands." WSC is speaking not only of *British* survival or victory. He was speaking of all of Europe and indeed the *entire world* – should Nazi Germany be vanquished.

But: What did Churchill mean by "*broad, sunlit uplands*?" The phrase is a metaphor, of course, possibly borrowed from H.G. Wells. But what kind of a world did it signify?

This evening, I'd like to make four points.

**First**, WSC wanted an international order in which the democracies acted in concert to safeguard their own self-government.

**Second**, he got a rough approximation of what he wanted in the postwar Western order.

**Third** – that Western order – now much more complex and nearly global – is in danger today, threatened from a new semi-member, authoritarian China, and from within (by its own drift toward what I'll call cosmopolitanism)

**Fourth**, the international order we have had since 1945 is well worth saving – but it is in dire need of reform.

To my **first** point, then – on what kind of int’l order WSC wanted. In principle, a number of different international orders are possible. We can arrange these on a kind of theoretical spectrum. At one end is the world as described by the early-modern English philosopher Thomas Hobbes, in which all countries face one another in a state of nature, which is really a state of war. In this world, trust is not possible, each state must arm itself against the possibility of war with all others and hence must guard against becoming dependent on any other country. States may form alliances against a common threat, but these alliances are temporary and they end once the common threat is gone. In this world, might makes right.

At the other end of the spectrum is a world state, which is exactly what it sounds like: a single global authority with a monopoly on the legitimate use of force, with the power to enforce agreements among people, groups, corporations. It is the world as one big country. We can call this utopianism.

Now WSC, like most people, wanted a world order somewhere between these two extremes of hyperrealism and utopianism. This is because WSC thought of foreign threats not only in terms of protecting British territory from conquest, but protecting *British democracy* – the liberties, the self-government of the British people. That is why, unlike so many in his own party in the 1930s, WSC was adamant that no deal could be struck with Hitler and his Nazi regime – a regime that had overturned democracy in Germany and would do the same in whatever countries it could.

So it’s clear, I think, that WSC would reject both a world state and a Hobbesian state of nature because both of those types of global order would eviscerate democracy – in Britain and elsewhere. In other words, democracy in Britain could only survive if other countries in Europe and other regions were democratic too – no democracy is an island – and that in turn required a particular kind of international order.

But again, where was this point on the spectrum? Where would the broad, sunlit uplands be found? We have clues from some of WSC’s other speeches. He spoke and wrote a number of times in the 1930s about collective security: about how the League of Nations, led by the democratic powers, must band together to defend against fascist threats. In August 1941 he signed the Atlantic Charter, along with US President Franklin Roosevelt, looking to a better world order. But let me jump to 1948, after the Allied victory, in the early days of the Cold War, when WSC and others were convinced that Stalin’s Soviet Union was a grave threat to world peace and democratic government. Churchill, now out of power, said the following to a Conservative Party mass meeting in Wales in October:

As I look out upon the future of our country in the changing scene of human destiny I feel the existence of three great circles among the free nations and democracies. I almost wish I had a blackboard. I would make a picture for you.... The first circle for us is naturally the British Commonwealth and Empire, with all that that comprises. Then there is also the English-speaking

world in which we, Canada, and the other British Dominions and the United States play so important a part. And finally there is United Europe. These three majestic circles are co-existent and if they are linked together there is no force or combination which could overthrow them or even challenge them.

Now here, WSC, of course, is trying hard to make the case that Britain, notwithstanding its postwar weakness, remained pivotal to international order by virtue its being the only country inhabiting all three of these circles.

Let us set aside Churchill's hopes about Britain's postwar status, and think about the general concept of *circles of nations*. WSC's vision certainly is not of a world state, but neither is it of a Hobbesian war of all against all. For WSC, some nations form groups – have special relations with those in the group – and these are all democracies or self-governing constitutional states. Four years earlier, with the war still raging, WSC's government had participated in an important conference at Bretton Woods, New Hampshire, in the United States, where economists and diplomats proposed new international institutions that would foster closer cooperation among these democracies. The governments of these countries believed strongly that had the democracies had closer economic cooperation in trade and in monetary relations in the 1930s, they would have avoided economic catastrophes hence the rise of fascism and the war itself.

WSC, on his own admission, was no *economist*. But he was a lifelong advocate of free trade, that is, of violating an old realist tenet by making his country dependent on others for the sake of greater prosperity. So in 1944 he supported the general effort by the democracies to build an international order that would prevent a reversion to the disasters of the 1930s. Thus the International Monetary Fund and the World Bank, which are still with us. At Bretton Woods, delegates also tried to establish an International Trade Organization, but the British and Americans could not agree on the terms, so three years later, in 1947, they enacted a weaker version, the General Agreement on Tariffs and Trade or GATT – which became the WTO in 1995. Churchill also supported the NATO alliance, which tied Western Europe to North America in a security alliance. I could say more, but you see the picture: WSC aimed at an international order in which the democracies had special relations, marked by more cooperation and trust, so that they could remain democracies.

I have already ventured into my **second point**, which is that the sunlit uplands that WSC wanted after the war, he more or less got. Namely, an international order to protect individual liberty and democracy at home by preventing or at least containing depression, political extremism, and aggression abroad. It was an order that entailed more rules and institutions than the world had ever seen before: more multilateral treaties governing trade and monetary relations, but also, with the founding of the North Atlantic Treaty Organization in 1949, and also US alliances with Japan, South Korea, Australia, New Zealand, and others, collective security against the Soviet threat.

General Sir Adrian Bradshaw, in fact, claims that many of the ideas for what eventually became NATO were set forth by Churchill at a lunch with a young envoy from President Harry Truman in March 1948. This was a lunch where, let us say, alcohol was served and Churchill's delivery of his ideas became more and more rapid, to the point where an American present asked if he could borrow some paper to write Churchill's ideas down.

"Young man," Churchill stated with visible irritation, "don't you remember anything?"

In desperation, the young man then went to the bathroom, grabbed some of what the British call "loo rolls," and wrote down everything he could. These notes on "loo rolls" became the basis for U.S. thinking about NATO.

In any case, the system was one in which the United States, with its outsized power, entered a general pact with medium-sized and smaller countries of Europe, Canada, and the Pacific Rim. Under this pact, America would bind itself to these rules, rendering its own behavior more predictable and opening itself to influence by its allies. America benefited by extended its power over time and making it more efficient to exercise that power. The smaller states would give up their formal empires and submit to American leadership; but in exchange would get security from Soviet intimidation, prosperity for their people, and a significant measure of influence over the United States. Economists tell us that institutions work by giving governments more information about one another's preferences and capabilities – int'l institutions lower transaction costs and make cooperation pay off more and more over time. That is essentially what happened under the postwar international order in the West. European integration began and deepened under this order – as a kind of intensified version of it – with the support of the United States.

There is much more to say about this 'logic of the West,' as John Ikenberry and Daniel Deudney have called it. Its roots are in the 18<sup>th</sup> and 19<sup>th</sup> century writings of jurists and philosophers. Again, this int'l order is an attempt to safeguard individual liberty *within* countries by establishing institutions *among* them. But it also helped to extend democracy among its members; NATO and other institutions seem to have had a socializing effect as well, through complex mechanisms. I mean that a number of countries, including Portugal, democratized while members of this international order. No democracy was an island.

This liberal international order (LIO) after World War II paid off for all of its members, including Britain, including Portugal, including the United States. There were to be economic *recessions*, but no more great *depressions*. Barriers to int'l trade progressively fell over the decades, and standards of living across these countries rose higher than ever before. This international order was part of what enabled the West to outlast the Soviet bloc and win the Cold War. And it's vital to note that the countries in the int'l order remained separate countries. It was the system that many more countries signed on to after the collapse of the Soviet Union in 1991, when Third World countries that had remained aloof from the liberal int'l order embraced it – or at least parts of it, a point I'll return to later.

WSC probably would have recognized these years as broad, sunlit uplands: no utopia, but a far, far better international order than Europe or the world had had in June 1940 or indeed October 1948. This order has come to feel like normal international relations, at least among the Western democracies. When we take for granted that an emergency like the 2008 financial crisis didn't produce a global depression; that a Portuguese citizen can easily buy a Chinese-made iPhone or an Italian espresso machine; that a war between Germany and France is unthinkable: we have the LIO to thank. We in the West have become so accustomed to this order that we are tempted to think of it as a historical inevitability. But like democracy itself, this int'l order it is not an inevitability but an *achievement*. As an achievement, it can be overturned, or can atrophy – which brings me to my third point.

My **third point** is that this order is currently in jeopardy from two developments: the rise of China, and the order's own drift toward what I'll call cosmopolitanism.

First, countries that have joined the order have gotten rich, and the biggest winner is *China*. China is a full *economic* participant in the LIO, and its achievements are impressive indeed. It is a manufacturing juggernaut, able to fill and ship huge volumes of orders with lightning speed – and in the past three and a half decades, China's government has lifted the greatest number of people out of poverty of any country in human history. China has massive trade surpluses with the EU and the US; it also lends the US lots of money to feed Americans' consumption habits. The problem is that China is not a liberal, multi-party democracy. It has a semi-capitalist economy, but still a Leninist political system. One party, the CCP, monopolizes political power and is determined to crush any challengers.

So far, the Party has succeeded brilliantly, confounding repeated Western predictions about its downfall. That matters because, unlike the Europeans and North Americans, China's ruling party does not *want* an international order that will safeguard *democracy* within countries. It wants an international order that will keep democracy *at bay*, far from China's borders. China does not *like* the liberal bias built into some int'l institutions, including human rights agreements, the structural adjustments of economies demanded by the IMF. Thus China has taken subtle steps to weaken UN scrutiny of human rights. And China has started its own int'l financial institution, the Asian Infrastructure Investment Bank (AIIB), which does not require borrowing countries to become more democratic. This AIIB is financing much of the \$1 trillion Belt & Road Initiative across Asia, Africa, the Middle East, and Eastern Europe – a project more than four times larger than the Marshall Plan.

Insofar as the spread of the LIO has encouraged democratization – in countries such as Portugal and Spain in Europe and South Korea and Taiwan in Asia – the rise of Chinese influence may well have the opposite effect. We can call the probable result *Internationalism with Chinese Characteristics*.

The *second* threat to the LIO comes within the West itself. The political shocks of the remarkable Year 2016 demonstrate this. First, in June, when a majority of the British voted

to withdraw from the EU. The precise meaning of Brexit remains unclear, but it is clear that a majority of British voters found that European integration had gone too far. And in November of that year in the United States came the election of Donald Trump, a candidate openly hostile toward free trade agreements – called NAFTA the worst deal ever negotiated – pulled US out of negotiations for the TPP (Trans-Pacific Partnership) and TTIP (Transatlantic Trade and Investment Partnership). Trump also is apparently skeptical of NATO, and of alliances with Japan, South Korea, and other long-time allies. Now some of this may just be rhetoric, the aggressive bargaining technique of a New York real estate magnate. But in general, Trump doesn't seem to have much use for the international order that his country – my country – has played the essential role in setting up and maintaining. He sees IR as a set of transactions, not ongoing relationships. And in these transactions, one side inevitably wins and the other loses, even among allies.

Behind Brexit and Trump – and the rise of other forces such as Bernie Sanders in the US, Jeremy Corbyn in the UK, the anti-globalist Left in Southern Europe and the anti-globalist Right in Northern Europe – is a deep discontent with the LIO across the West. Specifically, discontent with the deep *disruptions* that the LIO has brought – disruptions to accustomed and valued ways of life – disruptions that feel, to vast numbers of especially middle- and working-class people, not like a *preservation* of democracy, but a *loss* of democracy. Note the irony: An international order designed to preserve freedom and self-government within countries is now seen by millions as curtailing these things.

There are economic *and* cultural components to these losses, and these are very difficult to disentangle. In the *economic* realm, many who vote for anti-globalization parties have lost jobs or have lower-paying jobs, or their children or grandchildren do. And they blame this on free trade, foreign investment, and immigration. The LIO has enriched countries overall, but, as expected, within countries it has redistributed income and wealth. Much of the loss in industrial jobs in the West is from automation. But no matter: economic openness gets blamed for nearly all of it.

On the *cultural* side: Opening up economies and societies inevitably weakens traditional culture and brings about new ways – food, art, languages, outlooks, social mores. This is happening at a rapid pace and on a massive scale across most democracies. We Americans don't like to talk about class, but it is clear that the cultural disruptions are felt differently depending on social class. For our elites, the LIO has brought an invigorating mix of cultures and welcome opportunities for individual self-expression and social experimentation. But these new norms are pressing into all corners of our societies in a way that, ironically, brings a new kind of cultural homogeneity. Yesterday I saw that Starbucks Coffee is now in Lisbon!

And this global homogeneity is unwelcome to many who work in factories, in small towns, who farm – to those who attach deep meaning to their community, to place, to history, and to country. I have argued in two published articles that we can understand what is happening by recognizing that liberalism itself has evolved over the decades. Liberalism

always has been a system that seeks to uphold individual freedom. But what liberalism sees as the chief threats to individual freedom has changed. In the 18<sup>th</sup> and early 19<sup>th</sup> centuries, liberals saw the despotic state, particularly embodied in absolute monarchy, as the main threat. And so the task was to tame the state, to make it a liberal state. From the late 19<sup>th</sup> to mid-20<sup>th</sup> centuries, liberals came to see unfettered capital – money used to make more money – as the main threat. So the task became to use the now-tamed liberal state to regulate the economy in various ways, to protect especially workers from its shifts. Since the 1960s, many liberals have come to see the chief threat to individual freedom as traditional cultures and institutions. Today's liberalism is 3<sup>rd</sup>-stage liberalism, which sees the individual as free when he or she is not bound by any inherited culture or religion or way of life or place or gender role, when he or she first and foremost is not a citizen of a democracy existing alongside other democracies, but rather, a *cosmopolitan*. Third-stage liberalism recruits the liberal state and the now-tamed capital – large corporations – meet these supposed threats. Big corporations are some of the most progressive entities on the planet now.

Now there are reasons for this evolution of liberalism, and I don't want to set up a normative contest here between the three stages. Rather, I want to observe that third-stage liberalism is not something that the people of liberal democracies agreed to through a democratic process. It has emerged in elite parts of society and has, over the past few decades, captured most mainstream political parties, who then put it into practice – in law and in public and corporate policy. There is resistance to 3<sup>rd</sup>-stage liberalism. Some is from 1<sup>st</sup>-stage liberals, some from 2<sup>nd</sup>-stage liberals who remain. And some from anti-liberals. That is evident in the malignant reactions we are seeing far too much of today. Racist movements are stirring and conjuring up a dark past, as seen in disturbing incidents in parts of Europe and in my own town of Charlottesville, Virginia, just over a year ago. I don't want to excuse in the least these destructive reactions. We must repudiate them clearly and precisely because they threaten democracy.

But what is to be done?

**My fourth point is that the liberal international order is worth saving but needs reforming.** Why is it worth saving? *Is it worth saving?* Might its usefulness have run out? Many on the political Right and Left think so.

The international order is worth saving for the same reason that WSC thought it was worth creating: Because it is the order best able to safeguard the self-government and liberty that are the heritage of so many countries. WSC and his generation of Western leaders understood that democracy erodes when democracies cease cooperating in predictable ways: Economic problems become deep crises. Authoritarian government and poisonous ideologies become more attractive to many in times like that. International conflict and war become more likely, and countries begin to prepare for those things.

But, how to preserve the international order that preserves democracy? I have argued that one threat to the order is the rise of China. And I want to be clear that there is nothing to do about that directly. The West cannot halt the rise of China, certainly not at any acceptable cost. No one wants war or threats of war with China. The most we can do is continue to hope and work for democratization in China – for a peaceful transition to a liberal, multi-party regime. But again, that is precisely what the CCP does not want. In the short term, then, pessimism is called for, and we may be witnessing even now the early stages of a separation of the world into two systems: one designed to protect democracy, the other, to protect authoritarianism. This is not a new cold war, I think, because as yet neither China nor Russia has an ideology that enjoys sufficient international appeal. But perhaps it is what WSC would call two circles of states – competing as they cooperate.

Fortunately, over the *second* development – Western drift away from the LIO's original purpose – Europeans and North Americans have more control. I am not so arrogant as to have a comprehensive plan for reform. Indeed, I think that comprehensive plans are part of the problem. For the record, I think it is vital to continue NATO – an alliance that has nurtured democracy in member states. And I agree with the conventional liberal wisdom on international trade: the freer, the better. Just as Portugal's longstanding trade with England has benefited both countries over the centuries, the WTO has been good for all countries on the whole. And in general, the free movement of capital across national borders has been beneficial as well. I am less sure about the free movement of people, of labor. This is a relatively new thing, a hallmark of 3<sup>rd</sup>-stage liberalism, seen most explicitly in the so-called *open-borders movement*. Open borders lower wages and erode cultures and nation-states themselves.

There are arguments in favor of high international labor mobility, of course. But in any case, my larger point is that questions about immigration, and about trade and capital movements, *must happen through legitimate democratic processes within countries*. That is, political parties of the Right and Left must recognize that the individuals whose freedom the int'l order is supposed to safeguard are *citizens of countries* – countries that mean something to them. *Countries*, not int'l institutions, are where *democracy happens*. Let us remember that the LIO was never intended to be a cosmopolitan project – to get rid of countries – the script is not John Lennon's song "Imagine." "... imagine there's no countries..." That was not Churchill's sunlit uplands. From the time of philosopher Immanuel Kant in the late 18<sup>th</sup> century, to the international consensus during the Cold War, the intention was to help *keep* nations independent and democratic by making relations among them more rational, peaceful, and prosperous. The genius of liberal democracy is its capacity for continuing self-correction, and that comes not from smart people with master plans imposing them on society – that is the way that communist and fascist systems work – but instead from the free debate within and among democracies themselves. Political parties in democracies need to pay more attention to those who have lost from third-stage liberalism, and not just try to distract them with other policies or relegate them to a 'deplorable' category and wait for



them to die off. Our leaders must see all citizens as full citizens, entitled to self-government.

Today, in 2018, we are nowhere near the dark days of June 1940, when Winston Churchill said what everyone sensed: that Britain, Europe, and the world were on the edge of a new Dark Age, of an abyss. But the sunlit uplands that he helped us reach are clouding over, as it were. We can glimpse patches of darkness and sometimes get the sense that we are gradually backing in the direction of the abyss. I think that Sir Winston would agree that in our own time, we democracies can move up together again and stay in the uplands if we recognize and listen to and debate with *all* of our people as we reform our international order. In other words, if we *use* democracy to *preserve* democracy.

Thank you.